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LEGEND:

Distributing 6 =

Distributing 5 =

Distributing 4 =

Distributing 3 =

Distributing 2 =

Distributing 1 =

Controlled 11 =

Controlled 10 =

Controlled 2 =

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Dear _____ :

This letter responds to your May 4, 2006 letter requesting rulings on certain U.S. federal income tax consequences of a proposed transaction. The information in that request and subsequent correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the proposed distributions: (i) satisfy the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) are used principally as a device for the distribution of the earnings and profits of a distributing or controlled corporation or both (see § 355(a)(1)(B) of the Internal Revenue Code and § 1.355-2(d)); or (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in a distributing or controlled corporation (see § 355(e) and § 1.355-7).

Summary of Facts

Distributing 6 is a foreign corporation the stock of which is widely-held and publicly-traded. Distributing 6 is a holding company engaged through affiliates in Business Y, Business R, Business P, and Business B. Distributing 6 owns all of the outstanding stock of Controlled 10, Controlled 11, F1, F2, and F4, all of which are foreign corporations. Distributing 6 also owns all of the outstanding shares of F3, a foreign entity that is disregarded as an entity separate from its owner for U.S. federal tax purposes. Distributing 6 owns more than a% of the outstanding stock of Distributing 5, a foreign corporation, with F2 owning the remaining Distributing 5 stock. F1 conducts Business P1 and F3 conducts Business Y1.

F4 owns all of the outstanding stock of F5, a foreign corporation. F5 owns all of the outstanding stock of F6, a foreign corporation. F6 conducts Business P2.

Distributing 5 owns all of the outstanding stock of Distributing 4, a foreign corporation. Distributing 4 owns all of the outstanding stock of Distributing 3, F7, F8, F9, F11, F13, F15, F16, F17, and F18, all of which are foreign corporations. Distributing 4 also owns a b% interest in F10, a c% interest in F12, and a d% interest in F14, all of which are foreign corporations. Distributing 5 owns the remaining interest in F12. In addition, Distributing 4 owns all of the outstanding common stock of Distributing 1, a domestic corporation. Distributing 3 owns all of the outstanding preferred stock of Distributing 1.

F15 owns all of the outstanding stock of F19, a foreign corporation. F16 owns all of the outstanding stock of F20, a foreign corporation. F17 owns all of the outstanding stock of F21, a foreign corporation. F10, F11, and F21 conduct Business Y2, Business Y3, and Business Y4, respectively. F8 and F9 conduct Business P3 and Business P4, respectively. F7, F12, F13, F14, F19, and F20 conduct Business B1, Business B2, Business B3, Business B4, Business B5, and Business B6, respectively.

Distributing 1 owns all of the outstanding stock of S1, a domestic corporation. Distributing 3 owns all of the outstanding stock of S2, a domestic corporation, and approximately e% of the outstanding common stock, and all of the outstanding preferred stock, of Distributing 2, a domestic corporation. The remaining outstanding common stock of Distributing 2 is owned primarily by Distributing 1 and S1, with a nominal amount owned by a foreign corporation that is a member of the Distributing 6 controlled group. Each of S2 and Distributing 2 is the common parent of an affiliated group of corporations that elects to file U.S. federal consolidated income tax returns.

S2 owns all of the outstanding common stock of S3, a domestic corporation. S17 owns all of the outstanding preferred stock of S3. S3 owns all of the outstanding stock of S4, a domestic corporation. S4 owns all of the outstanding stock of S5, S6, S7, and S8, all domestic corporations.

S5 owns an f% interest in PS1, a domestic general partnership. PS1's only assets are interests in PS2, a domestic limited partnership. PS2's sole asset is an interest in PS4, a domestic limited partnership. PS4 is engaged directly in Business B and also owns Business P5.

S6 owns all of the outstanding stock of S9, S10, S11, S12, S13, S14, S15, S16, S17, S18, and S19, all domestic corporations. S6 also owns all of the outstanding stock of F23 and the majority of the outstanding shares of F22, both foreign corporations.

S14 owns the stock of the BF Subs, foreign corporations that are engaged in Business B, the stock of S20, an approximately g% interest in F14, a h% interest in S21, an i% interest in PS3, a domestic general partnership, and an approximately j% interest in F24, a foreign corporation. S14 has outstanding approximately \$k of public debt. S17 owns the remaining l% interest in S21. S14 and S17 formed S21 on Date 1.

Distributing 4 and S13 own the remaining interests in F14. The remaining interest in F24 is owned by S15. The remaining interest in PS3 is owned by S12. F24 owns all of the outstanding stock of F25.

S10 owns all of the outstanding stock of Controlled 2, a domestic corporation, and the remaining interest in F10. In addition, S10 owns all of the stock of the YF Subs and the YS Subs, foreign and domestic corporations, respectively, that are engaged in Business Y.

PS3's only assets are interests in PS4. The remaining interests in PS4 are owned by other members of the Distributing 6 controlled group.

Distributing 2 owns all of the outstanding stock of S22 and S23, both domestic corporations. S23 owns all of the outstanding common stock of S24, a domestic corporation.

S24 owns all of the outstanding stock of S25, S26, and S29, all domestic corporations. S24 also owns all of the outstanding stock of F26 and an m% interest in F27, both foreign corporations. S24 also owns all of the outstanding interests in S27 and S28, domestic limited liability companies that are disregarded as entities separate from their owner for U.S. federal tax purposes. F26 conducts Business P6, S28 conducts Business Y5, and F27 conducts Business P7.

S25 owns all of the outstanding stock of F28, F29, and F30, all foreign corporations, and S30, a domestic corporation. S30 and S26 own an n% and an o% interest, respectively, in F27. S29 owns the remaining interest in PS1.

S27 owns all of the outstanding stock of F31, F33, and F42, and a p% interest in F32, all foreign corporations. The remaining interest in F32 is owned by S26.

F31 owns all of the outstanding stock of F34, a foreign corporation, and the remaining interest in F27. F32 owns all of the outstanding stock of F35, a foreign corporation. F35 owns all of the outstanding stock of F38, a foreign corporation.

F33 owns all of the outstanding stock of F36 and F37, both foreign corporations. F36 owns all of the outstanding stock of F39, a foreign corporation. F37 owns a q% interest in F40 and an r% interest in F41. The remaining interests in F40 and F41 are owned by other members of the Distributing 6 affiliated group.

F42 owns all of the outstanding stock of F43. F43 owns all of the outstanding stock of F44.

Financial information has been submitted indicating that Business Y (as conducted by F3, F10, F11, F21, and S28), Business P (as conducted by F1, F6, F8, F9, F26, and F27), and Business B (as conducted by F7, F12, F13, F14, F19, and F20), have, in the case of each named entity, had gross receipts and operating expenses representative of the active conduct of a trade or business for each of the past five years.

Proposed Transactions

For what is represented to be a valid business purpose, Distributing 6 has proposed the following series of transactions to separate Business P and Business B from Business Y and Business R (the "Proposed Transactions"):

(i) F16 will transfer F20 to Distributing 1 solely in exchange for Distributing 1 voting common stock.

(ii) PS4 will distribute Business P5 to PS2 in redemption of a portion of PS2's interest in PS4 of equal value.

(iii) PS2 will distribute Business P5 to PS1 in redemption of a portion of PS1's interest in PS2 of equal value.

(iv) PS1 will distribute Business P5 to S29 in complete redemption of S29's interest in PS1.

(v) S4 will transfer to S6 all of the outstanding stock of S5, S7, and S8 in constructive exchange for S6 stock ("Contribution 1").

(vi) S6 will satisfy all of its operating liabilities.

(vii) S6 will form New S6, a new domestic corporation, and transfer thereto all of S6's operating assets, all of the outstanding stock of F23, and S6's interest in F22 in exchange for stock of New S6 ("Contribution 2").

(viii) S6 will transfer to S10 all of the outstanding stock of New S6, S7, S8, S9, S11, S12, S13, S15, S16, and S18 in constructive exchange for S10 stock ("Contribution 3").

(ix) S6 will transfer to S14 all of the outstanding stock of S5 and S19 in constructive exchange for S14 stock ("Contribution 4").

(x) S14 and S17 will transfer to S21 certain assets associated with Business M in exchange for shares of S21 stock and the assumption by S21 of certain liabilities associated with Business M ("Contribution 5").

(xi) S14 will transfer to S5 S14's $\frac{1}{2}$ % interest in PS3, its stock in the BF Subs, F14, S19, and S20 in constructive exchange for S5 stock, and S5 will assume from S14 approximately \$k in public debt ("Contribution 6").

(xii) In exchange for shares of Controlled 2 common stock of equal value, (i) S10 will transfer to Controlled 2 all of its stock in the YF Subs, the YS Subs, New S6, S7, S8, S9, S11, S15, and S18; (ii) S14 will transfer to Controlled 2 its stock in S21 and its interest in F24; and (iii) S17 will transfer to Controlled 2 its stock in S21 ("Contribution 7").

(xiii) In exchange for all of the shares of a class of common stock of Distributing 2 possessing, in the aggregate, at least 80 percent of the total combined voting power of all classes of Distributing 2 stock entitled to vote, (i) S10 will transfer to Distributing 2 all of S10's stock in Controlled 2, S12, S13, and S16; (ii) S14 will transfer to Distributing 2 its stock in S5 and Controlled 2; (iii) S17 will transfer to Distributing 2 its stock in Controlled 2; (iv) S24 will transfer to Distributing 2 all of the interests in S28; and (v) S25 will transfer to Distributing 2 all of the outstanding stock of F28, F29, and F30 ("Contribution 8").

(xiv) F40 will convert to a foreign eligible entity and elect to be treated as a partnership for U.S. federal income tax purposes under § 301.7701-3.

(xv) F41 will convert to a foreign eligible entity and elect to be treated as a partnership for U.S. federal income tax purposes under § 301.7701-3.

(xvi) F37 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xvii) F34 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xviii) F38 will convert to a foreign eligible entity and elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xix) F39 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xx) F18 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xxi) F44 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xxii) F31 will sell the membership interests of F34 to Distributing 4 for fair market value.

(xxiii) F33 will sell the membership interests of F37 to Distributing 4 at fair market value.

(xxiv) F35 will sell the membership interests of F38 to Distributing 4 for fair market value.

(xxv) F36 will sell the membership interests of F39 to Distributing 4 for fair market value.

(xxvi) F43 will sell the membership interests of F44 to F18 for fair market value.

(xxvii) S1 will merge into Distributing 1 with Distributing 1 surviving ("Liquidation 1").

(xxviii) Distributing 1 will form Controlled 1, a new domestic corporation, and transfer thereto all of its stock in Distributing 2 in exchange for stock of Controlled 1 ("Contribution 9").

(xxix) S24 will transfer the stock of F26 to Controlled 1 solely in exchange for voting stock of Controlled 1.

(xxx) Distributing 1 will distribute all of its stock in Controlled 1 to Distributing 4 in redemption of an amount of Distributing 4 stock of equal value ("Distribution 1").

(xxxi) F25 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(xxxii) F24 will sell the membership interests of F25 to Distributing 4 for fair market value.

(xxxiii) Distributing 2 will transfer to Controlled 2 all of its Business R and Business Y assets in constructive exchange for Controlled 2 stock ("Contribution 10").

(xxxiv) Distributing 2 will distribute the stock of Controlled 2 to Distributing 3 in redemption of an amount of Distributing 2 stock of equal value ("Distribution 2").

(xxxv) Distributing 2 will form Controlled 3, a new domestic corporation, and transfer thereto all of its Business B assets in exchange for stock of Controlled 3 ("Contribution 11").

(xxxvi) Distributing 4 and Distributing 5 will transfer their stock in F12 to Controlled 3 solely in exchange for voting stock of Controlled 3.

(xxxvii) Distributing 2 will distribute the stock of Controlled 3 to Distributing 3 in redemption of an amount of Distributing 2 stock of equal value ("Distribution 3").

(xxxviii) Distributing 4 will form three new foreign holding companies, Controlled 4, Controlled 5, and Controlled 6, each a foreign corporation.

(xxxix) Distributing 3 will form three new companies, N1, N2, and N3, each a foreign corporation, and transfer (i) assets related to Business P to N1 in exchange for N1 stock and the assumption by N1 of certain Distributing 3 liabilities associated with Business P; (ii) assets related to Business R and Business Y to N2 in exchange for N2 stock and the assumption by N2 of certain Distributing 3 liabilities associated with Business Y and Business R; and (iii) assets related to Business B to N3 in exchange for N3 stock and the assumption by N3 of certain Distributing 3 liabilities associated with Business B.

(xl) Distributing 3 will distribute the stock of N1, N2, and N3 to Distributing 4.

(xli) Distributing 4 will transfer the stock of N1, N2, and N3 to Controlled 4, Controlled 5, and Controlled 6, respectively.

(xlii) Distributing 3 will (i) transfer its remaining loans receivable associated with Business P to Controlled 4, and Controlled 4 will assume a like amount of Distributing 3's loan payable to Distributing 5 attributable to Business P; (ii) transfer its remaining loans receivable associated with Business Y and Business R to Controlled 5, and Controlled 5 will assume a like amount of Distributing 3's loan payable to Distributing 5 attributable to Business Y and Business R; and (iii) transfer its remaining loans receivable associated with Business B to Controlled 6, and Controlled 6 will assume a like amount of Distributing 3's loan payable to Distributing 5 attributable to Business B. Distributing 3 will retain cash corresponding to its nominal share capital.

(xliii) Controlled 4, Controlled 5, and Controlled 6 each will transfer the loans receivable it receives from Distributing 3 to N1, N2, and N3, respectively.

(xliv) Distributing 3 will liquidate into Distributing 4, distributing the retained cash corresponding to Distributing 3's nominal share capital.

(xlv) Distributing 4 will transfer the cash corresponding to Distributing 3's nominal share capital to Controlled 6, and Controlled 6 will transfer the cash received from Distributing 4 to N3 (together with steps (xxxviii) - (xliv), "Contributions 12, 13, 14, 15, 16, and 17," and "Distributions 4, 5, and 6").

(xlvi) Distributing 4 will form Controlled 7 and Controlled 8, both foreign corporations, and transfer (i) its assets related to Business P to Controlled 7 in exchange for stock of Controlled 7 and the assumption by Controlled 7 of Distributing 4's liabilities associated with Business P ("Contribution 18"); and (ii) its assets related to Business Y and Business R to Controlled 8 in exchange for stock of Controlled 8 and the assumption by Controlled 8 of Distributing 4's liabilities associated with Business Y and Business R ("Contribution 19").

(xlvii) Distributing 4 will distribute the stock of Controlled 7 and Controlled 8 to Distributing 5 ("Distribution 7" and "Distribution 8," respectively).

(xlviii) Distributing 5 will form Controlled 9, N4, and N5, each a foreign corporation, and transfer (i) all of its assets associated with Business Y and Business R to Controlled 9 in exchange for stock of Controlled 9 and the assumption by Controlled 9 of Distributing 5's liabilities associated with Business Y and Business R, including an appropriate portion of Distributing 5's refinanced public debt; (ii) all of its assets associated with Business P to N4 in exchange for stock of N4 and the assumption by N4 of Distributing 5's liabilities associated with Business P, including an appropriate portion of Distributing 5's refinanced public debt; and (iii) all of its assets associated with Business B to N5 in exchange for stock of N5 and the assumption by N5 of Distributing 5's liabilities associated with Business B, including an appropriate portion of Distributing 5's refinanced public debt.

(xlix) To the extent that Controlled 9, N4, and N5 cannot assume Distributing 5's existing public debt, they will access the public debt markets and borrow the appropriate amounts for their groups. The proceeds of this new debt will be used, in whole or in part, to repay whatever portion of the Distributing 5 public debt is not assumed by Controlled 9, N4, and N5.

(li) Distributing 6 will contribute the stock of Controlled 10 and Controlled 11 to Distributing 5.

(lii) Distributing 5 will contribute (i) the stock of N4 to Controlled 10 and (ii) the stock of N5 to Controlled 11.

(lii) Controlled 10 and Controlled 11 each will recapitalize its sole outstanding class of common stock into a number of shares equal to the number of outstanding shares of Distributing 6 common stock.

(liii) Distributing 5 will liquidate, distributing the stock of Controlled 9, Controlled 10, and Controlled 11 to Distributing 6 and F2 in complete redemption of the outstanding stock of Distributing 5 (together with steps (xlviii) - (lii), "Contributions 20, 21, 22, 23, and 24" and "Distributions 9, 10, and 11").

(liv) F2 will elect to be disregarded as an entity separate from its owner for U.S. federal income tax purposes under § 301.7701-3.

(lv) F2 will distribute to Distributing 6 the shares of Controlled 10 and Controlled 11 received by it in Distributions 10 and 11.

(lvi) Distributing 6 will transfer all of its assets associated with Business P to Controlled 10 in constructive exchange for Controlled 10 stock and the assumption by Controlled 10 of Distributing 6's liabilities associated with Business P ("Contribution 25").

(lvii) Distributing 6 will transfer all of its assets associated with Business B to Controlled 11 in constructive exchange for Controlled 11 stock and the assumption by Controlled 11 of Distributing 6's liabilities associated with Business B ("Contribution 26").

(lviii) Distributing 6 will distribute the stock of Controlled 10 and Controlled 11 pro rata to Distributing 6's shareholders ("Distribution 12" and "Distribution 13," respectively).

(lix) Controlled 10 will form, or utilize an existing, foreign subsidiary to hold one share of each class of N4.

(lx) Controlled 11 will form, or utilize an existing, foreign subsidiary to hold one share of each class of N5.

Contribution 2 through Contribution 11 are referred to herein collectively as the "Contributions."

Representations

Contribution 1

The following representations are made with respect to Contribution 1 described above in step (v):

(a1) No stock or securities will be issued for services rendered to or for the benefit of S6 in connection with Contribution 1, and no stock or securities will be issued for indebtedness of S6.

(b1) S4 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 1.

(c1) S6 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S4 in a period subsequent to the transfer and such items will constitute income or deductions to S6 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of S6.

(d1) None of the stock to be transferred by S4 to S6 is "§ 306 stock" within the meaning of § 306(c).

(e1) Contribution 1 is not the result of the solicitation by a promoter, broker, or investment house.

(f1) S4 will not retain any rights in the property transferred to S6 pursuant to Contribution 1.

(g1) The value of the S6 stock received by S4 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h1) The total adjusted basis of the assets to be transferred by S4 to S6 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by S6 from S4.

(i1) The total fair market value of the assets transferred to S6 by S4 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by S6 from S4 in connection with Contribution 1; (ii) the amount of liabilities owed by S6 to S4 that are discharged or extinguished in connection with Contribution 1; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S4 in connection with Contribution 1. The fair market value of the assets of S6 will exceed the amount of its liabilities immediately after the exchange.

(j1) The liabilities, if any, of S4 to be assumed (within the meaning of § 357(d)) by S6 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k1) There is no indebtedness between S6 and S4, and there will be no indebtedness created in favor of S4 as a result of Contribution 1.

(l1) The transfers and exchanges pursuant to Contribution 1 will occur under a plan agreed upon before Contribution 1 in which the rights of the parties are defined.

(m1) All exchanges pursuant to Contribution 1 will occur on approximately the same date.

(n1) There is no plan or intention on the part of S6 to redeem or otherwise reacquire any stock to be issued in Contribution 1.

(o1) Taking into account any issuance of additional shares of S6 stock; any issuance of stock for services; the exercise of any S6 stock rights, warrants, or subscriptions; a public offering of S6 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of S6 to be received in the exchange, S4 will be in "control" of S6 within the meaning of § 368(c).

(p1) S4 will receive stock in S6 approximately equal to the fair market value of the property transferred to S6 in exchange therefor.

(q1) S6 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r1) Except for the Contributions, there is no plan or intention by S6 to dispose of the transferred property other than in the normal course of business operations.

(s1) Each of the parties to Contribution 1 will pay its own expenses, if any, incurred in connection with Contribution 1.

(t1) S6 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u1) S4 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S4.

(v1) S6 will not be a "personal service corporation" within the meaning of § 269A.

(w1) The aggregate fair market value of the assets contributed by S4 to S6 will exceed such assets' aggregate bases immediately after Contribution 1.

Contribution 2

The following representations are made with respect to Contribution 2 described above in step (vii):

(a2) No stock or securities will be issued for services rendered to or for the benefit of New S6 in connection with Contribution 2, and no stock or securities will be issued for indebtedness of New S6.

(b2) S6 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 2.

(c2) New S6 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S6 in a period subsequent to the transfer and such items will constitute income or deductions to New S6 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of New S6.

(d2) None of the stock to be transferred by S6 to New S6 is "§ 306 stock" within the meaning of § 306(c).

(e2) Contribution 2 is not the result of the solicitation by a promoter, broker, or investment house.

(f2) S6 will not retain any rights in the property transferred to New S6 pursuant to Contribution 2.

(g2) The value of the New S6 stock received by S6 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h2) The total adjusted basis of the assets to be transferred by S6 to New S6 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by New S6 from S6.

(i2) The total fair market value of the assets transferred to New S6 by S6 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by New S6 from S6 in connection with Contribution 2; (ii) the amount of liabilities owed by New S6 to S6 that are discharged or extinguished in connection with Contribution 2; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S6 in connection with Contribution 2. The fair market value of the assets of New S6 will exceed the amount of its liabilities immediately after the exchange.

(j2) The liabilities, if any, of S6 to be assumed (within the meaning of § 357(d)) by New S6 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k2) There is no indebtedness between New S6 and S6, and there will be no indebtedness created in favor of S6 as a result of Contribution 2.

(l2) The transfers and exchanges pursuant to Contribution 2 will occur under a plan agreed upon before Contribution 2 in which the rights of the parties are defined.

(m2) All exchanges pursuant to Contribution 2 will occur on approximately the same date.

(n2) There is no plan or intention on the part of New S6 to redeem or otherwise reacquire any stock to be issued in Contribution 2.

(o2) Taking into account any issuance of additional shares of New S6 stock; any issuance of stock for services; the exercise of any New S6 stock rights, warrants, or subscriptions; a public offering of New S6 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of New S6 to be received in the exchange, S6 will be in "control" of New S6 within the meaning of § 368(c).

(p2) S6 will receive stock in New S6 approximately equal to the fair market value of the property transferred to New S6 in exchange therefor.

(q2) New S6 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r2) Except for the Contributions, there is no plan or intention by New S6 to dispose of the transferred property other than in the normal course of business operations.

(s2) Each of the parties to Contribution 2 will pay its own expenses, if any, incurred in connection with Contribution 2.

(t2) New S6 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u2) S6 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S6.

(v2) New S6 will not be a "personal service corporation" within the meaning of § 269A.

(w2) The aggregate fair market value of the assets contributed by S6 to New S6 will exceed such assets' aggregate bases immediately after Contribution 2.

Contribution 3

The following representations are made with respect to Contribution 3 described above in step (viii):

(a3) No stock or securities will be issued for services rendered to or for the benefit of S10 in connection with Contribution 3, and no stock or securities will be issued for indebtedness of S10.

(b3) S6 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 3.

(c3) S10 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S6 in a period subsequent to the transfer and such items will constitute income or deductions to S10 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of S10.

(d3) None of the stock to be transferred by S6 to S10 is "§ 306 stock" within the meaning of § 306(c).

(e3) Contribution 3 is not the result of the solicitation by a promoter, broker, or investment house.

(f3) S6 will not retain any rights in the property transferred to S10 pursuant to Contribution 3.

(g3) The value of the S10 stock received by S6 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h3) The total adjusted basis of the assets to be transferred by S6 to S10 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by S10 from S6.

(i3) The total fair market value of the assets transferred to S10 by S6 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by S10 from S6 in connection with Contribution 3; (ii) the amount of liabilities owed by S10 to S6 that are discharged or extinguished in connection with Contribution 3; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S6 in connection with Contribution 3. The fair market value of the assets of S10 will exceed the amount of its liabilities immediately after the exchange.

(j3) The liabilities, if any, of S6 to be assumed (within the meaning of § 357(d)) by S10 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k3) There is no indebtedness between S10 and S6, and there will be no indebtedness created in favor of S6 as a result of Contribution 3.

(l3) The transfers and exchanges pursuant to Contribution 3 will occur under a plan agreed upon before Contribution 3 in which the rights of the parties are defined.

(m3) All exchanges pursuant to Contribution 3 will occur on approximately the same date.

(n3) There is no plan or intention on the part of S10 to redeem or otherwise reacquire any stock to be issued in Contribution 3.

(o3) Taking into account any issuance of additional shares of S10 stock; any issuance of stock for services; the exercise of any S10 stock rights, warrants, or subscriptions; a public offering of S10 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of S10 to be received in the exchange, S6 will be in "control" of S10 within the meaning of § 368(c).

(p3) S6 will receive stock in S10 approximately equal to the fair market value of the property transferred to S10 in exchange therefor.

(q3) S10 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r3) Except for the Contributions, there is no plan or intention by S10 to dispose of the transferred property other than in the normal course of business operations.

(s3) Each of the parties to Contribution 3 will pay its own expenses, if any, incurred in connection with Contribution 3.

(t3) S10 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u3) S6 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S6.

(v3) S10 will not be a "personal service corporation" within the meaning of § 269A.

(w3) The aggregate fair market value of the assets contributed by S6 to S10 will exceed such assets' aggregate bases immediately after Contribution 3.

Contribution 4

The following representations are made with respect to Contribution 4 described above in step (ix):

(a4) No stock or securities will be issued for services rendered to or for the benefit of S14 in connection with Contribution 4, and no stock or securities will be issued for indebtedness of S14.

(b4) S6 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 4.

(c4) S14 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S6 in a period subsequent to the transfer and such items will constitute income or deductions to S14 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of S14.

(d4) None of the stock to be transferred by S6 to S14 is "§ 306 stock" within the meaning of § 306(c).

(e4) Contribution 4 is not the result of the solicitation by a promoter, broker, or investment house.

(f4) S6 will not retain any rights in the property transferred to S14 pursuant to Contribution 4.

(g4) The value of the S14 stock received by S6 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h4) The total adjusted basis of the assets to be transferred by S6 to S14 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by S14 from S6.

(i4) The total fair market value of the assets transferred to S14 by S6 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by S14 from S6 in connection with Contribution 4; (ii) the amount of liabilities owed by S14 to S6 that are discharged or extinguished in connection with Contribution 4; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S6 in connection with Contribution 4. The fair market value of the assets of S14 will exceed the amount of its liabilities immediately after the exchange.

(j4) The liabilities, if any, of S6 to be assumed (within the meaning of § 357(d)) by S14 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k4) There is no indebtedness between S14 and S6, and there will be no indebtedness created in favor of S6 as a result of Contribution 4.

(l4) The transfers and exchanges pursuant to Contribution 4 will occur under a plan agreed upon before Contribution 4 in which the rights of the parties are defined.

(m4) All exchanges pursuant to Contribution 4 will occur on approximately the same date.

(n4) There is no plan or intention on the part of S14 to redeem or otherwise reacquire any stock to be issued in Contribution 4.

(o4) Taking into account any issuance of additional shares of S14 stock; any issuance of stock for services; the exercise of any S14 stock rights, warrants, or subscriptions; a public offering of S14 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of S14 to be received in the exchange, S6 will be in "control" of S14 within the meaning of § 368(c).

(p4) S6 will receive stock in S14 approximately equal to the fair market value of the property transferred to S14 in exchange therefor.

(q4) S14 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r4) Except for the Contributions, there is no plan or intention by S14 to dispose of the transferred property other than in the normal course of business operations.

(s4) Each of the parties to Contribution 4 will pay its own expenses, if any, incurred in connection with Contribution 4.

(t4) S14 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u4) S6 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S6.

(v4) S14 will not be a "personal service corporation" within the meaning of § 269A.

(w4) The aggregate fair market value of the assets contributed by S6 to S14 will exceed such assets' aggregate bases immediately after Contribution 4.

Contribution 5

The following representations are made with respect to Contribution 5 described above in step (x):

(a5) No stock or securities will be issued for services rendered to or for the benefit of S21 in connection with Contribution 5, and no stock or securities will be issued for indebtedness of S21.

(b5) Neither S14 nor S17 accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 5.

(c5) S21 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S14 or S17 in a period subsequent to the transfer and such items will constitute income or deductions to S21 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of S21.

(d5) No stock of any corporation is being transferred by S14 or S17 to S21 in Contribution 5.

(e5) Contribution 5 is not the result of the solicitation by a promoter, broker, or investment house.

(f5) Neither S14 nor S17 will retain any rights in the property transferred to S21 pursuant to Contribution 5.

(g5) The value of the S21 stock received by each of S14 and S17 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred, i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h5) The total adjusted basis of the assets to be transferred by each of S14 and S17, respectively, to S21 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by S21 from S14 and S17, respectively.

(i5) The total fair market value of the assets transferred to S21 by S14 and S17, respectively, will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by S21 from S14 and S17, respectively, in connection with Contribution 5; (ii) the amount of liabilities owed by S21 to S14 and S17, respectively, that are discharged or extinguished in connection with Contribution 5; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S14 and S17, respectively, in connection with Contribution 5. The fair market value of the assets of S21 will exceed the amount of its liabilities immediately after the exchange.

(j5) The liabilities, if any, of S14 and S17, respectively, to be assumed (within the meaning of § 357(d)) by S21 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k5) There is no indebtedness between S21, on the one hand, and S14 or S17, on the other hand, and there will be no indebtedness created in favor of S14 or S17 as a result of Contribution 5.

(l5) The transfers and exchanges pursuant to Contribution 5 will occur under a plan agreed upon before Contribution 5 in which the rights of the parties are defined.

(m5) All exchanges pursuant to Contribution 5 will occur on approximately the same date.

(n5) There is no plan or intention on the part of S21 to redeem or otherwise reacquire any stock to be issued in Contribution 5.

(o5) Taking into account any issuance of additional shares of S21 stock; any issuance of stock for services; the exercise of any S21 stock rights, warrants, or subscriptions; a public offering of S21 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of S21 to be received in the exchange, S14 and S17 will be in "control" of S21 within the meaning of § 368(c).

(p5) Each of S14 and S17 will receive stock in S21 approximately equal to the fair market value of the property transferred to S21 in exchange therefor.

(q5) S21 will remain in existence and retain and use the property transferred to it in a trade or business.

(r5) There is no plan or intention by S21 to dispose of the transferred property other than in the normal course of business operations.

(s5) Each of the parties to Contribution 5 will pay its own expenses, if any, incurred in connection with Contribution 5.

(t5) S21 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u5) Neither S14 nor S17 is under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S14 or S17.

(v5) S21 will not be a "personal service corporation" within the meaning of § 269A.

(w5) The aggregate fair market value of the assets contributed by S14 and S17, respectively, to S21 will exceed such assets' aggregate bases immediately after Contribution 5.

Contribution 6

The following representations are made with respect to Contribution 6 described above in step (xi):

(a6) No stock or securities will be issued for services rendered to or for the benefit of S5 in connection with Contribution 6, and no stock or securities will be issued for indebtedness of S5.

(b6) S14 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 6.

(c6) S5 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S14 in a period subsequent to the transfer and such items will constitute income or deductions to S5 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of S5.

(d6) None of the stock to be transferred by S14 to S5 is "§ 306 stock" within the meaning of § 306(c).

(e6) Contribution 6 is not the result of the solicitation by a promoter, broker, or investment house.

(f6) S14 will not retain any rights in the property transferred to S5 pursuant to Contribution 6.

(g6) The value of the S5 stock received by S14 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h6) The total adjusted basis of the assets to be transferred by S14 to S5 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by S5 from S14.

(i6) The total fair market value of the assets transferred to S5 by S14 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by S5 from S14 in connection with Contribution 6; (ii) the amount of liabilities owed by S5 to S14 that are discharged or extinguished in connection with Contribution 6; and (iii) the amount of any money and the fair market value of any other property (other than

stock permitted to be received under § 351(a) without the recognition of gain) received by S14 in connection with Contribution 6. The fair market value of the assets of S5 will exceed the amount of its liabilities immediately after the exchange.

(j6) The liabilities, if any, of S14 to be assumed (within the meaning of § 357(d)) by S5 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k6) There is no indebtedness between S5 and S14, and there will be no indebtedness created in favor of S14 as a result of Contribution 6.

(l6) The transfers and exchanges pursuant to Contribution 6 will occur under a plan agreed upon before Contribution 6 in which the rights of the parties are defined.

(m6) All exchanges pursuant to Contribution 6 will occur on approximately the same date.

(n6) There is no plan or intention on the part of S5 to redeem or otherwise reacquire any stock to be issued in Contribution 6.

(o6) Taking into account any issuance of additional shares of S5 stock; any issuance of stock for services; the exercise of any S5 stock rights, warrants, or subscriptions; a public offering of S5 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of S5 to be received in the exchange, S14 will be in "control" of S5 within the meaning of § 368(c).

(p6) S14 will receive stock in S5 approximately equal to the fair market value of the property transferred to S5 in exchange therefor.

(q6) S5 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r6) Except for the Contributions, there is no plan or intention by S5 to dispose of the transferred property other than in the normal course of business operations.

(s6) Each of the parties to Contribution 6 will pay its own expenses, if any, incurred in connection with Contribution 6.

(t6) S5 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u6) S14 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S14.

(v6) S5 will not be a "personal service corporation" within the meaning of § 269A.

(w6) The aggregate fair market value of the assets contributed by S14 to S5 will exceed such assets' aggregate bases immediately after Contribution 6.

Contribution 7

The following representations are made with respect to Contribution 7 described above in step (xii):

(a7) No stock or securities will be issued for services rendered to or for the benefit of Controlled 2 in connection with Contribution 7, and no stock or securities will be issued for indebtedness of Controlled 2.

(b7) None of S10, S14, or S17 has accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 7.

(c7) Controlled 2 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S10, S14, or S17, respectively, in a period subsequent to the transfer and such items will constitute income or deductions to Controlled 2 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of Controlled 2.

(d7) None of the stock to be transferred by S10, S14, or S17 to Controlled 2 is "§ 306 stock" within the meaning of § 306(c).

(e7) Contribution 7 is not the result of the solicitation by a promoter, broker, or investment house.

(f7) None of S10, S14, or S17 will retain any rights in the property transferred to Controlled 2 pursuant to Contribution 7.

(g7) The value of the Controlled 2 stock received by each of S10, S14, and S17 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h7) The total adjusted basis of the assets to be transferred by each of S10, S14, and S17 to Controlled 2 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by Controlled 2 from S10, S14, and S17, respectively.

(i7) The total fair market value of the assets transferred to Controlled 2 by S10, S14, and S17, respectively, will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by Controlled 2 from S10, S14, and S17, respectively, in connection with Contribution 7; (ii) the amount of liabilities owed by Controlled 2 to S10, S14, and S17, respectively, that are discharged or extinguished in connection with Contribution 7; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S10, S14, and S17, respectively, in connection with Contribution 7. The fair market value of the assets of Controlled 2 will exceed the amount of its liabilities immediately after the exchange.

(j7) The liabilities, if any, of S10, S14, and S17, respectively, to be assumed (within the meaning of § 357(d)) by Controlled 2 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k7) There is no indebtedness between Controlled 2, on the one hand, and S10, S14, or S17, on the other hand, and there will be no indebtedness created in favor of S10, S14, or S17 as a result of Contribution 7.

(l7) The transfers and exchanges pursuant to Contribution 7 will occur under a plan agreed upon before Contribution 7 in which the rights of the parties are defined.

(m7) All exchanges pursuant to Contribution 7 will occur on approximately the same date.

(n7) There is no plan or intention on the part of Controlled 2 to redeem or otherwise reacquire any stock to be issued in Contribution 7.

(o7) Taking into account any issuance of additional shares of Controlled 2 stock; any issuance of stock for services; the exercise of any Controlled 2 stock rights, warrants, or subscriptions; a public offering of Controlled 2 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of Controlled 2 to be received in the exchange, S10, S14, and S17 will be in "control" of Controlled 2 within the meaning of § 368(c).

(p7) S10, S14, and S17 each will receive stock in Controlled 2 approximately equal to the fair market value of the property transferred to Controlled 2 in exchange therefor.

(q7) Controlled 2 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r7) Except for the Contributions, there is no plan or intention by Controlled 2 to dispose of the transferred property other than in the normal course of business operations.

(s7) Each of the parties to Contribution 7 will pay its own expenses, if any, incurred in connection with Contribution 7.

(t7) Controlled 2 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u7) None of S10, S14, or S17 is under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S10, S14, or S17.

(v7) Controlled 2 will not be a "personal service corporation" within the meaning of § 269A.

(w7) The aggregate fair market value of the assets contributed by S10, S14, and S17, respectively, to Controlled 2 will exceed such assets' aggregate bases immediately after Contribution 7.

Contribution 8

The following representations are made with respect to Contribution 8 described above in step (xiii):

(a8) No stock or securities will be issued for services rendered to or for the benefit of Distributing 2 in connection with Contribution 8, and no stock or securities will be issued for indebtedness of Distributing 2.

(b8) None of S10, S14, S17, S24, or S25 accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 8.

(c8) Distributing 2 will report items, if any, that, but for the transfer, would have resulted in income or deduction to S10, S14, S17, S24, or S25 in a period subsequent to the transfer and such items will constitute income or deductions to Distributing 2 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of Distributing 2.

(d8) None of the stock to be transferred by S10, S14, S17, or S25 to Distributing 2 is "§ 306 stock" within the meaning of § 306(c). S24 will not transfer stock to Distributing 2.

(e8) Contribution 8 is not the result of the solicitation by a promoter, broker, or investment house.

(f8) None of S10, S14, S17, S24, or S25 will retain any rights in the property transferred to Distributing 2 pursuant to Contribution 8.

(g8) The value of the Distributing 2 stock received by each of S10, S14, S17, S24, and S25 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred, i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h8) The total adjusted basis of the assets to be transferred by each of S10, S14, S17, S24, and S25, respectively, to Distributing 2 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by Distributing 2 from S10, S14, S17, S24, and S25, respectively.

(i8) The total fair market value of the assets transferred to Distributing 2 by S10, S14, S17, S24, and S25, respectively, will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by Distributing 2 from S10, S14, S17, S24, and S25, respectively, in connection with Contribution 8; (ii) the amount of liabilities owed by Distributing 2 to S10, S14, S17, S24, and S25, respectively, that are discharged or extinguished in connection with Contribution 8; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by S10, S14, S17, S24, and S25, respectively, in connection with Contribution 8. The fair market value of the assets of Distributing 2 will exceed the amount of its liabilities immediately after the exchange.

(j8) The liabilities, if any, of S10, S14, S17, S24, and S25, respectively, to be assumed (within the meaning of § 357(d)) by Distributing 2 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k8) There is no indebtedness between Distributing 2, on the one hand, and S10, S14, S17, S24, or S25, on the other hand, and there will be no indebtedness created in favor of S10, S14, S17, S24, or S25 as a result of Contribution 8.

(l8) The transfers and exchanges pursuant to Contribution 8 will occur under a plan agreed upon before Contribution 8 in which the rights of the parties are defined.

(m8) All exchanges pursuant to Contribution 8 will occur on approximately the same date.

(n8) There is no plan or intention on the part of Distributing 2 to redeem or otherwise reacquire any stock to be issued in Contribution 8.

(o8) Taking into account any issuance of additional shares of Distributing 2 stock; any issuance of stock for services; the exercise of any Distributing 2 stock rights, warrants, or subscriptions; a public offering of Distributing 2 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of Distributing 2 to be received in the exchange, S10, S14, S17, S24, and S25 will be in "control" of Distributing 2 within the meaning of § 368(c).

(p8) Each of S10, S14, S17, S24, and S25 will receive stock in Distributing 2 approximately equal to the fair market value of the property transferred to Distributing 2 in exchange therefor.

(q8) Distributing 2 will remain in existence and, except for the Contributions, retain and use the property transferred to it in a trade or business.

(r8) Except for the Contributions, there is no plan or intention by Distributing 2 to dispose of the transferred property other than in the normal course of business operations.

(s8) Each of the parties to Contribution 8 will pay its own expenses, if any, incurred in connection with Contribution 8.

(t8) Distributing 2 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u8) None of S10, S14, S17, S24, or S25 is under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of S10, S14, S17, S24, or S25.

(v8) Distributing 2 will not be a "personal service corporation" within the meaning of § 269A.

(w8) The aggregate fair market value of the assets contributed by S10, S14, S17, S24, and S25, respectively, to Distributing 2 will exceed such assets' aggregate bases immediately after Contribution 8.

Liquidation 1

The following representations are made with respect to Liquidation 1 described above in step (xxvii):

(a9) Distributing 1, on the date of adoption of the plan of liquidation, and at all times until the final liquidating distribution is completed, will be the owner of at least 80 percent of the single outstanding class of S1 stock.

(b9) No shares of S1 stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation of S1.

(c9) All distributions from S1 to Distributing 1 pursuant to the plan of complete liquidation will be made within a single taxable year of S1.

(d9) As soon as the first liquidating distribution has been made, S1 will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to Distributing 1.

(e9) S1 will retain no assets following the final liquidating distribution.

(f9) S1 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the plan of liquidation.

(g9) No assets of S1 have been, or will be, disposed of by either S1 or Distributing 1, except for dispositions in the ordinary course of business and dispositions occurring more than three years prior to adoption of the plan of liquidation, and except for Contribution 9.

(h9) The liquidation of S1 will not be preceded or followed by the reincorporation, transfer, or sale of all or a part of the business assets of S1 to another corporation (i) that is the alter ego of S1 and (ii) that, directly or indirectly, will be owned more than 20 percent in value by persons holding directly or indirectly more than 20 percent in value of the stock of S1, except for Contribution 9. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of § 318(a), as modified by § 304(c)(3).

(i9) Prior to the adoption of the plan of liquidation, no assets of S1 will have been distributed in kind, transferred, or sold to Distributing 1, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to the adoption of the liquidation plan.

(j9) S1 will report all earned income represented by assets that will be distributed to Distributing 1, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(k9) The fair market value of the assets of S1 will exceed its liabilities both at the date of adoption of the plan of complete liquidation and immediately prior to the time the first liquidating distribution is made.

(l9) S1 currently owes Distributing 1 approximately \$5 billion pursuant to a revolving cash management agreement. No debt between Distributing 1 and S1 has

been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of adoption of the plan of liquidation.

(m9) Distributing 1 is not an organization that is exempt from U.S. federal income tax under § 501 or any other provision of the Internal Revenue Code of 1986, as amended.

Contribution 9 and Distribution 1

The following representations are made with respect to Contribution 9 and Distribution 1 described above in steps (xxviii) and (xxx):

(a10) The fair market value of the Controlled 1 stock to be received by Distributing 4 will be approximately equal to the fair market value of the Distributing 1 stock surrendered by Distributing 4 in the exchange.

(b10) The total adjusted basis and fair market value of the assets transferred to Controlled 1 by Distributing 1 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 1, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 1 to Distributing 1 and then from Distributing 1 to its creditors.

(c10) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 1 were incurred in the ordinary course of business and are associated with the assets being transferred.

(d10) No part of the consideration to be distributed by Distributing 1 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 1.

(e10) Each of the parties to Distribution 1 will pay its own expenses, if any, incurred in connection with Distribution 1.

(f10) The five years of financial information provided on behalf of the business conducted by Distributing 1's separate affiliated group, through F20, is representative of the present business operations of Distributing 1's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business of F20 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 1 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g10) The five years of financial information provided on behalf of the business conducted by Controlled 1's separate affiliated group, through F26, is representative of the present business operations of Controlled 1's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business of F26 nor control of an entity conducting this business was acquired during the five-year period ending on

the date of Distribution 1 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h10) Following Distribution 1, each of Distributing 1, through F20, and Controlled 1, through F26, will continue the active conduct of its business, independently and with its separate employees.

(i10) Distribution 1 is not being used principally as a device for the distribution of the earnings and profits of Distributing 1 or Controlled 1 or both.

(j10) Distribution 1 is being carried out for the following corporate business purpose: fit and focus. Distribution 1 is motivated, in whole or substantial part, by this corporate business purpose.

(k10) No intercorporate debt will exist between Distributing 1 and Controlled 1 at the time of, or subsequent to, Distribution 1.

(l10) Payments made in connection with all continuing transactions, if any, between Distributing 1 and Controlled 1, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m10) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(n10) For purposes of § 355(d), immediately after Distribution 1, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 1 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 1 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 1.

(o10) For purposes of § 355(d), immediately after Distribution 1, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 1 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 1 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 1 or (ii) attributable to distributions on Distributing 1 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 1.

(p10) Distribution 1 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 1 or Controlled 1 (including any predecessor or successor of Distributing 1 or Controlled 1).

(q10) Immediately before Distribution 1, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, Distributing 1's excess loss account, if any, with respect to the Controlled 1 stock will be included in income immediately before Distribution 1.

(r10) Earnings and profits will be allocated between Distributing 1 and Controlled 1 in accordance with § 312(h) and § 1.312-10(a).

(s10) Distributing 1 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Internal Revenue Service (the "Service").

(t10) Neither Distributing 1 nor Controlled 1 has been a United States real property holding corporation ("USRPHC"), as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 1, and neither Distributing 1 nor Controlled 1 will be a USRPHC immediately after Distribution 1.

Contribution 10 and Distribution 2

The following representations are made with respect to Contribution 10 and Distribution 2 described above in steps (xxxiii) and (xxxiv):

(a11) The fair market value of the Controlled 2 stock to be received by Distributing 3 will be approximately equal to the fair market value of the Distributing 2 stock surrendered by Distributing 3 in the exchange.

(b11) The total adjusted basis and fair market value of the assets transferred to Controlled 2 by Distributing 2 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 2, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 2 to Distributing 2 and then from Distributing 2 to its creditors.

(c11) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 2 were incurred in the ordinary course of business and are associated with the assets being transferred.

(d11) No part of the consideration to be distributed by Distributing 2 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 2.

(e11) Each of the parties to Distribution 2 will pay its own expenses, if any, incurred in connection with Distribution 2.

(f11) The five years of financial information provided on behalf of the business conducted by Distributing 2's separate affiliated group, through F27, is representative of the present business operations of Distributing 2's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F27 nor control of an entity conducting this business was acquired during the five-year

period ending on the date of Distribution 2 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g11) The five years of financial information provided on behalf of the business conducted by Controlled 2's separate affiliated group, through S28, is representative of the present business operations of Controlled 2's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by S28 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 2 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h11) Following Distribution 2, each of Distributing 2, through F27, and Controlled 2, through S28, will continue the active conduct of its business, independently and with its separate employees.

(i11) Distribution 2 is not being used principally as a device for the distribution of the earnings and profits of Distributing 2 or Controlled 2 or both.

(j11) Distribution 2 is being carried out for the following corporate business purpose: fit and focus. Distribution 2 is motivated, in whole or substantial part, by this corporate business purpose.

(k11) No intercorporate debt will exist between Distributing 2 and Controlled 2 at the time of, or subsequent to, Distribution 2.

(l11) Payments made in connection with all continuing transactions, if any, between Distributing 2 and Controlled 2, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m11) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(n11) For purposes of § 355(d), immediately after Distribution 2, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 2 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 2 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 2.

(o11) For purposes of § 355(d), immediately after Distribution 2, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 2 stock entitled to vote or 50 percent or more of the total value of shares of

all classes of Controlled 2 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 2 or (ii) attributable to distributions on Distributing 2 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 2.

(p11) Distribution 2 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 2 or Controlled 2 (including any predecessor or successor of Distributing 2 or Controlled 2).

(q11) Immediately before Distribution 2, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, Distributing 2's excess loss account, if any, with respect to the Controlled 2 stock will be included in income immediately before Distribution 2.

(r11) Earnings and profits will be allocated between Distributing 2 and Controlled 2 in accordance with § 312(h) and § 1.312-10(a).

(s11) Distributing 2 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(t11) Neither Distributing 2 nor Controlled 2 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 2, and neither Distributing 2 nor Controlled 2 will be a USRPHC immediately after Distribution 2.

Contribution 11 and Distribution 3

The following representations are made with respect to Contribution 11 and Distribution 3 described above in steps (xxxv) and (xxxvii):

(a12) The fair market value of the Controlled 3 stock to be received by Distributing 3 will be approximately equal to the fair market value of the Distributing 2 stock surrendered by Distributing 3 in the exchange.

(b12) The total adjusted basis and fair market value of the assets transferred to Controlled 3 by Distributing 2 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 3, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 3 to Distributing 2 and then from Distributing 2 to its creditors.

(c12) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 3 were incurred in the ordinary course of business and are associated with the assets being transferred.

(d12) No part of the consideration to be distributed by Distributing 2 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 2.

(e12) Each of the parties to Distribution 3 will pay its own expenses, if any, incurred in connection with Distribution 3.

(f12) The five years of financial information provided on behalf of the business conducted by Distributing 2's separate affiliated group, through F27, is representative of the present business operations of Distributing 2's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F27 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 3 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g12) The five years of financial information provided on behalf of the business conducted by Controlled 3's separate affiliated group, through F12, is representative of the present business operations of Controlled 3's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F12 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 3 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h12) Following Distribution 3, each of Distributing 2, through F27, and Controlled 3, through F12, will continue the active conduct of its business, independently and with its separate employees.

(i12) Distribution 3 is not being used principally as a device for the distribution of the earnings and profits of Distributing 2 or Controlled 3 or both.

(j12) Distribution 3 is being carried out for the following corporate business purpose: fit and focus. Distribution 3 is motivated, in whole or substantial part, by this corporate business purpose.

(k12) No intercorporate debt will exist between Distributing 2 and Controlled 3 at the time of, or subsequent to, Distribution 3.

(l12) Payments made in connection with all continuing transactions, if any, between Distributing 2 and Controlled 3, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m12) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(n12) For purposes of § 355(d), immediately after Distribution 3, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 2 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 2 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 3.

(o12) For purposes of § 355(d), immediately after Distribution 3, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 3 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 3 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 3 or (ii) attributable to distributions on Distributing 2 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 3.

(p12) Distribution 3 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 2 or Controlled 3 (including any predecessor or successor of Distributing 2 or Controlled 3).

(q12) Immediately before Distribution 3, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, Distributing 2's excess loss account, if any, with respect to the Controlled 3 stock will be included in income immediately before Distribution 3.

(r12) Earnings and profits will be allocated between Distributing 2 and Controlled 3 in accordance with § 312(h) and § 1.312-10(a).

(s12) Distributing 2 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(t12) Neither Distributing 2 nor Controlled 3 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 3, and neither Distributing 2 nor Controlled 3 will be a USRPHC immediately after Distribution 3.

Contribution 12 and Distribution 4

The following representations are made with respect to Contribution 12 and Distribution 4 described above in steps (xxxviii) - (xlv):

(a13) The total adjusted basis and fair market value of the assets transferred to Controlled 4 by Distributing 3 equals or exceeds the sum of the liabilities assumed

(within the meaning of § 357(d)) by Controlled 4, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 4 to Distributing 3 and then from Distributing 3 to its creditors.

(b13) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 4 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c13) No part of the consideration to be distributed by Distributing 3 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 3.

(d13) Each of the parties to Distribution 4 will pay its own expenses, if any, incurred in connection with Distribution 4.

(e13) The five years of financial information provided on behalf of the business conducted by Controlled 4's separate affiliated group, through F27, is representative of the present business operations of Controlled 4's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F27 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f13) The five years of financial information provided on behalf of the business conducted by Controlled 5's separate affiliated group, through S28, is representative of the present business operations of Controlled 5's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by S28 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g13) The five years of financial information provided on behalf of the business conducted by Controlled 6's separate affiliated group, through F12, is representative of the present business operations of Controlled 6's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F12 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h13) Following Distribution 4, each of (i) Controlled 4, through F27, (ii) Controlled 5, through S28, and (iii) Controlled 6, through F 12, will continue the active conduct of its business, independently and with its separate employees.

(i13) Distribution 4 is not being used principally as a device for the distribution of the earnings and profits of Distributing 3 or Controlled 4 or both.

(j13) Distribution 4 is being carried out for the following corporate business purpose: fit and focus. Distribution 4 is motivated, in whole or substantial part, by this corporate business purpose.

(k13) No intercorporate debt will exist between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6, at the time of, or subsequent to, Distribution 4.

(l13) Payments made in connection with all continuing transactions, if any, between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m13) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n13) For purposes of § 355(d), immediately after Distribution 4, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 4 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 4 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 4 or (ii) attributable to distributions on Distributing 3 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 4.

(o13) Distribution 4 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 4 (including any predecessor or successor of Controlled 4).

(p13) Earnings and profits will be allocated among Controlled 4, Controlled 5, and Controlled 6 in accordance with § 312(h) and § 1.312-10(a).

(q13) Distributing 3 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r13) Neither Distributing 3 nor Controlled 4 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 4, and neither Distributing 3 nor Controlled 4 will be a USRPHC immediately after Distribution 4.

(s13) Neither Distributing 3 nor Controlled 4 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 4.

Contribution 13 and Distribution 5

The following representations are made with respect to Contribution 13 and Distribution 5 described above in steps (xxxviii) - (xlv):

(a14) The total adjusted basis and fair market value of the assets transferred to Controlled 5 by Distributing 3 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 5, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 5 to Distributing 3 and then from Distributing 3 to its creditors.

(b14) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 5 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c14) No part of the consideration to be distributed by Distributing 3 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 3.

(d14) Each of the parties to Distribution 5 will pay its own expenses, if any, incurred in connection with Distribution 5.

(e14) The five years of financial information provided on behalf of the business conducted by Controlled 4's separate affiliated group, through F27, is representative of the present business operations of Controlled 4's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F27 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 5 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f14) The five years of financial information provided on behalf of the business conducted by Controlled 5's separate affiliated group, through S28, is representative of the present business operations of Controlled 5's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by S28 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 5 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g14) The five years of financial information provided on behalf of the business conducted by Controlled 6's separate affiliated group, through F12, is representative of the present business operations of Controlled 6's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F12 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 5 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h14) Following Distribution 5, each of (i) Controlled 4, through F27, (ii) Controlled 5, through S28, and (iii) Controlled 6, through F 12, will continue the active conduct of its business, independently and with its separate employees.

(i14) Distribution 5 is not being used principally as a device for the distribution of the earnings and profits of Distributing 3 or Controlled 5 or both.

(j14) Distribution 5 is being carried out for the following corporate business purpose: fit and focus. Distribution 5 is motivated, in whole or substantial part, by this corporate business purpose.

(k14) No intercorporate debt will exist between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6, at the time of, or subsequent to, Distribution 5.

(l14) Payments made in connection with all continuing transactions, if any, between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m14) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n14) For purposes of § 355(d), immediately after Distribution 5, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 5 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 5 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 5 or (ii) attributable to distributions on Distributing 3 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 5.

(o14) Distribution 5 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 5 (including any predecessor or successor of Controlled 5).

(p14) Earnings and profits will be allocated among Controlled 4, Controlled 5, and Controlled 6 in accordance with § 312(h) and § 1.312-10(a).

(q14) Distributing 3 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r14) Neither Distributing 3 nor Controlled 5 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 5, and neither Distributing 3 nor Controlled 5 will be a USRPHC immediately after Distribution 5.

(s14) Neither Distributing 3 nor Controlled 5 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 5.

Contribution 14 and Distribution 6

The following representations are made with respect to Contribution 14 and Distribution 6 described above in steps (xxxviii) - (xlv):

(a15) The total adjusted bases and fair market value of the assets transferred to Controlled 6 by Distributing 3 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 6, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 6 to Distributing 3 and then from Distributing 3 to its creditors.

(b15) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 6 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c15) No part of the consideration to be distributed by Distributing 3 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 3.

(d15) Each of the parties to Distribution 6 will pay its own expenses, if any, incurred in connection with Distribution 6.

(e15) The five years of financial information provided on behalf of the business conducted by Controlled 4's separate affiliated group, through F27, is representative of the present business operations of Controlled 4's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F27 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 6 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f15) The five years of financial information provided on behalf of the business conducted by Controlled 5's separate affiliated group, through S28, is representative of the present business operations of Controlled 5's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by S28 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 6 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g15) The five years of financial information provided on behalf of the business conducted by Controlled 6's separate affiliated group, through F12, is representative of the present business operations of Controlled 6's separate affiliated group, and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements provided. Neither the business conducted by F12 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 6 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h15) Following Distribution 6, each of (i) Controlled 4, through F27, (ii) Controlled 5, through S28, and (iii) Controlled 6, through F 12, will continue the active conduct of its business, independently and with its separate employees.

(i15) Distribution 6 is not being used principally as a device for the distribution of the earnings and profits of Distributing 3 or Controlled 6 or both.

(j15) Distribution 6 is being carried out for the following corporate business purpose: fit and focus. Distribution 6 is motivated, in whole or substantial part, by this corporate business purpose.

(k15) No intercorporate debt will exist between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6, at the time of, or subsequent to, Distribution 5.

(l15) Payments made in connection with all continuing transactions, if any, between Controlled 4 and Controlled 5, Controlled 4 and Controlled 6, or Controlled 5 and Controlled 6 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m15) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n15) For purposes of § 355(d), immediately after Distribution 6, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 6 stock entitled to vote or 50 percent or more of the total value of shares of

all classes of Controlled 6 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 6 or (ii) attributable to distributions on Distributing 3 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 6.

(o15) Distribution 6 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 6 (including any predecessor or successor of Controlled 6).

(p15) Earnings and profits will be allocated among Controlled 4, Controlled 5, and Controlled 6 in accordance with § 312(h) and § 1.312-10(a).

(q15) Distributing 3 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r15) Neither Distributing 3 nor Controlled 6 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 6, and neither Distributing 3 nor Controlled 6 will be a USRPHC immediately after Distribution 6.

(s15) Neither Distributing 3 nor Controlled 6 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 6.

Contribution 15

The following representations are made with respect to Contribution 15 described above in steps (xxxviii) - (xlv):

(a16) No stock or securities will be issued for services rendered to or for the benefit of N1 in connection with Contribution 15, and no stock or securities will be issued for indebtedness of N1.

(b16) Controlled 4 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 15.

(c16) N1 will report items, if any, that, but for the transfer, would have resulted in income or deduction to Controlled 4 in a period subsequent to the transfer and such items will constitute income or deductions to N1 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of N1.

(d16) None of the stock to be transferred by Controlled 4 to N1 is "§ 306 stock" within the meaning of § 306(c).

(e16) Contribution 15 is not the result of the solicitation by a promoter, broker, or investment house.

(f16) Controlled 4 will not retain any rights in the property transferred to N1 pursuant to Contribution 15.

(g16) The value of the N1 stock received by Controlled 4 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h16) The total adjusted basis of the assets to be transferred by Controlled 4 to N1 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by N1 from Controlled 4.

(i16) The total fair market value of the assets transferred to N1 by Controlled 4 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by N1 from Controlled 4 in connection with Contribution 15; (ii) the amount of liabilities owed by N1 to Controlled 4 that are discharged or extinguished in connection with Contribution 15; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by Controlled 4 in connection with Contribution 15. The fair market value of the assets of N1 will exceed the amount of its liabilities immediately after the exchange.

(j16) The liabilities, if any, of Controlled 4 to be assumed (within the meaning of § 357(d)) by N1 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k16) There is no indebtedness between N1 and Controlled 4, and there will be no indebtedness created in favor of Controlled 4 as a result of Contribution 15.

(l16) The transfers and exchanges pursuant to Contribution 15 will occur under a plan agreed upon before Contribution 15 in which the rights of the parties are defined.

(m16) All exchanges pursuant to Contribution 15 will occur on approximately the same date.

(n16) There is no plan or intention on the part of N1 to redeem or otherwise reacquire any stock to be issued in Contribution 15.

(o16) Taking into account any issuance of additional shares of N1 stock; any issuance of stock for services; the exercise of any N1 stock rights, warrants, or subscriptions; a public offering of N1 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of N1 to be received in the exchange, Controlled 4 will be in "control" of N1 within the meaning of § 368(c).

(p16) Controlled 4 will receive stock in N1 approximately equal to the fair market value of the property transferred to N1 in exchange therefor.

(q16) N1 will remain in existence and retain and use the property transferred to it in a trade or business.

(r16) There is no plan or intention by N1 to dispose of the transferred property other than in the normal course of business operations.

(s16) Each of the parties to Contribution 15 will pay its own expenses, if any, incurred in connection with Contribution 15.

(t16) N1 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u16) Controlled 4 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of Controlled 4.

(v16) N1 will not be a "personal service corporation" within the meaning of § 269A.

(w16) The aggregate fair market value of the assets contributed by Controlled 4 to N1 will exceed such assets' aggregate bases immediately after Contribution 15.

Contribution 16

The following representations are made with respect to Contribution 16 described above in steps (xxxviii) - (xlv):

(a17) No stock or securities will be issued for services rendered to or for the benefit of N2 in connection with Contribution 16, and no stock or securities will be issued for indebtedness of N2.

(b17) Controlled 5 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 16.

(c17) N2 will report items, if any, that, but for the transfer, would have resulted in income or deduction to Controlled 5 in a period subsequent to the transfer and such items will constitute income or deductions to N2 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of N2.

(d17) None of the stock to be transferred by Controlled 5 to N2 is "§ 306 stock" within the meaning of § 306(c).

(e17) Contribution 16 is not the result of the solicitation by a promoter, broker, or investment house.

(f17) Controlled 5 will not retain any rights in the property transferred to N2 pursuant to Contribution 16.

(g17) The value of the N2 stock received by Controlled 5 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h17) The total adjusted basis of the assets to be transferred by Controlled 5 to N2 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by N2 from Controlled 5.

(i17) The total fair market value of the assets transferred to N2 by Controlled 5 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by N2 from Controlled 5 in connection with Contribution 16; (ii) the amount of liabilities owed by N2 to Controlled 5 that are discharged or extinguished in connection with Contribution 16; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by Controlled 5 in connection with Contribution 16. The fair market value of the assets of N2 will exceed the amount of its liabilities immediately after the exchange.

(j17) The liabilities, if any, of Controlled 5 to be assumed (within the meaning of § 357(d)) by N2 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k17) There is no indebtedness between N2 and Controlled 5, and there will be no indebtedness created in favor of Controlled 5 as a result of Contribution 16.

(l17) The transfers and exchanges pursuant to Contribution 16 will occur under a plan agreed upon before Contribution 16 in which the rights of the parties are defined.

(m17) All exchanges pursuant to Contribution 16 will occur on approximately the same date.

(n17) There is no plan or intention on the part of N2 to redeem or otherwise reacquire any stock to be issued in Contribution 16.

(o17) Taking into account any issuance of additional shares of N2 stock; any issuance of stock for services; the exercise of any N2 stock rights, warrants, or subscriptions; a public offering of N2 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of N2 to be received in the exchange, Controlled 5 will be in "control" of N2 within the meaning of § 368(c).

(p17) Controlled 5 will receive stock in N2 approximately equal to the fair market value of the property transferred to N2 in exchange therefor.

(q17) N2 will remain in existence and retain and use the property transferred to it in a trade or business.

(r17) There is no plan or intention by N2 to dispose of the transferred property other than in the normal course of business operations.

(s17) Each of the parties to Contribution 16 will pay its own expenses, if any, incurred in connection with Contribution 16.

(t17) N2 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u17) Controlled 5 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of Controlled 5.

(v17) N2 will not be a "personal service corporation" within the meaning of § 269A.

(w17) The aggregate fair market value of the assets contributed by Controlled 5 to N2 will exceed such assets' aggregate bases immediately after Contribution 16.

Contribution 17

The following representations are made with respect to Contribution 17 described above in steps (xxxviii) - (xlv):

(a18) No stock or securities will be issued for services rendered to or for the benefit of N3 in connection with Contribution 17, and no stock or securities will be issued for indebtedness of N3.

(b18) Controlled 6 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 17.

(c18) N3 will report items, if any, that, but for the transfer, would have resulted in income or deduction to Controlled 6 in a period subsequent to the transfer and such items will constitute income or deductions to N3 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of N3.

(d18) None of the stock to be transferred by Controlled 6 to N3 is "§ 306 stock" within the meaning of § 306(c).

(e18) Contribution 17 is not the result of the solicitation by a promoter, broker, or investment house.

(f18) Controlled 6 will not retain any rights in the property transferred to N3 pursuant to Contribution 17.

(g18) The value of the N3 stock received by Controlled 6 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h18) The total adjusted basis of the assets to be transferred by Controlled 6 to N3 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by N3 from Controlled 6.

(i18) The total fair market value of the assets transferred to N3 by Controlled 6 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by N3 from Controlled 6 in connection with Contribution 17; (ii) the amount of liabilities owed by N3 to Controlled 6 that are discharged or extinguished in connection with Contribution 17; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the

recognition of gain) received by Controlled 6 in connection with Contribution 17. The fair market value of the assets of N3 will exceed the amount of its liabilities immediately after the exchange.

(j18) The liabilities, if any, of Controlled 6 to be assumed (within the meaning of § 357(d)) by N3 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k18) There is no indebtedness between N3 and Controlled 6, and there will be no indebtedness created in favor of Controlled 6 as a result of Contribution 17.

(l18) The transfers and exchanges pursuant to Contribution 17 will occur under a plan agreed upon before Contribution 17 in which the rights of the parties are defined.

(m18) All exchanges pursuant to Contribution 17 will occur on approximately the same date.

(n18) There is no plan or intention on the part of N3 to redeem or otherwise reacquire any stock to be issued in Contribution 17.

(o18) Taking into account any issuance of additional shares of N3 stock; any issuance of stock for services; the exercise of any N3 stock rights, warrants, or subscriptions; a public offering of N3 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of N3 to be received in the exchange, Controlled 6 will be in "control" of N3 within the meaning of § 368(c).

(p18) Controlled 6 will receive stock in N3 approximately equal to the fair market value of the property transferred to N3 in exchange therefor.

(q18) N3 will remain in existence and retain and use the property transferred to it in a trade or business.

(r18) There is no plan or intention by N3 to dispose of the transferred property other than in the normal course of business operations.

(s18) Each of the parties to Contribution 17 will pay its own expenses, if any, incurred in connection with Contribution 17.

(t18) N3 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u18) Controlled 6 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of Controlled 6.

(v18) N3 will not be a "personal service corporation" within the meaning of § 269A.

(w18) The aggregate fair market value of the assets contributed by Controlled 6 to N3 will exceed such assets' aggregate bases immediately after Contribution 17.

Contribution 18 and Distribution 7

The following representations are made with respect to Contribution 18 and Distribution 7 described above in steps (xlvi) and (xlvii):

(a19) The total adjusted basis and fair market value of the assets transferred to Controlled 7 by Distributing 4 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 7, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 7 to Distributing 4 and then from Distributing 4 to its creditors.

(b19) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 7 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c19) No part of the consideration to be distributed by Distributing 4 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 4.

(d19) Each of the parties to Distribution 7 will pay its own expenses, if any, incurred in connection with Distribution 7.

(e19) The five years of financial information provided on behalf of the businesses conducted by Distributing 4's separate affiliated group, through F7, F12, F13, F14, F19, and F20, is representative of the present business operations of Distributing 4's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 7 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f19) The five years of financial information provided on behalf of the businesses conducted by Controlled 7's separate affiliated group, through F8, F9, F26, and F27, is representative of the present business operations of Controlled 7's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F8, F9, F26, or F27, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 7 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g19) Following Distribution 7, each of (i) Distributing 4, through F7, F12, F13, F14, F19, and F20, and (ii) Controlled 7, through F8, F9, F26, and F27, will continue the active conduct of its business, independently and with its separate employees.

(h19) Distribution 7 is not being used principally as a device for the distribution of the earnings and profits of Distributing 4 or Controlled 7 or both.

(i19) Distribution 7 is being carried out for the following corporate business purpose: fit and focus. Distribution 7 is motivated, in whole or substantial part, by this corporate business purpose.

(j19) No intercorporate debt will exist between Distributing 4 and Controlled 7 at the time of, or subsequent to, Distribution 7.

(k19) Payments made in connection with all continuing transactions, if any, between Distributing 4 and Controlled 7 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(l19) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(m19) For purposes of § 355(d), immediately after Distribution 7, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 4 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 4 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 7.

(n19) For purposes of § 355(d), immediately after Distribution 7, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 7 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 7 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 7 or (ii) attributable to distributions on Distributing 4 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 7.

(o19) Distribution 7 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 4 or Controlled 7 (including any predecessor or successor of Distributing 4 or Controlled 7).

(p19) Earnings and profits will be allocated between Distributing 4 and Controlled 7 in accordance with § 312(h) and § 1.312-10(a).

(q19) Distributing 4 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r19) Neither Distributing 4 nor Controlled 7 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 7,

and neither Distributing 4 nor Controlled 7 will be a USRPHC immediately after Distribution 7.

(s19) Neither Distributing 4 nor Controlled 7 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 7.

Contribution 19 and Distribution 8

The following representations are made with respect to Contribution 19 and Distribution 8 described above in steps (xlvi) and (xlvii):

(a20) The total adjusted basis and fair market value of the assets transferred to Controlled 8 by Distributing 4 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 8, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 8 to Distributing 4 and then from Distributing 4 to its creditors.

(b20) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 8 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c20) No part of the consideration to be distributed by Distributing 4 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 4.

(d20) Each of the parties to Distribution 8 will pay its own expenses, if any, incurred in connection with Distribution 8.

(e20) The five years of financial information provided on behalf of the businesses conducted by Distributing 4's separate affiliated group, through F7, F12, F13, F14, F19, and F20, is representative of the present business operations of Distributing 4's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 8 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f20) The five years of financial information provided on behalf of the businesses conducted by Controlled 8's separate affiliated group, through F10, F11, F21, and S28, is representative of the present business operations of Controlled 8's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 8 in a transaction in which gain or loss was recognized in whole or in

part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g20) Following Distribution 8, each of (i) Distributing 4, through F7, F12, F13, F14, F19, and F20, (ii) and Controlled 8, through F10, F11, F21, and S28, will continue the active conduct of its business, independently and with its separate employees.

(h20) Distribution 8 is not being used principally as a device for the distribution of the earnings and profits of Distributing 4 or Controlled 8 or both.

(i20) Distribution 8 is being carried out for the following corporate business purpose: fit and focus. Distribution 8 is motivated, in whole or substantial part, by this corporate business purpose.

(j20) No intercorporate debt will exist between Distributing 4 and Controlled 8 at the time of, or subsequent to, Distribution 8.

(k20) Payments made in connection with all continuing transactions, if any, between Distributing 4 and Controlled 8 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(l20) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(m20) For purposes of § 355(d), immediately after Distribution 8, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 4 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 4 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 8.

(n20) For purposes of § 355(d), immediately after Distribution 8, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 8 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 8 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 8 or (ii) attributable to distributions on Distributing 4 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 8.

(o20) Distribution 8 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 4 or Controlled 8 (including any predecessor or successor of Distributing 4 or Controlled 8).

(p20) Earnings and profits will be allocated between Distributing 4 and Controlled 8 in accordance with § 312(h) and § 1.312-10(a).

(q20) Distributing 4 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r20) Neither Distributing 4 nor Controlled 8 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 8, and neither Distributing 4 nor Controlled 8 will be a USRPHC immediately after Distribution 8.

(s20) Neither Distributing 4 nor Controlled 8 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 8.

Contribution 20 and Distribution 9

The following representations are made with respect to Contribution 20 and Distribution 9 described above in steps (xlviii) - (liii):

(a21) The total adjusted basis and fair market value of the assets transferred to Controlled 9 by Distributing 5 equals or exceeds the sum of (i) the liabilities assumed (within the meaning of § 357(d)) by Controlled 9, (ii) any liabilities to which the assets are subject, and (iii) the amount of money distributed by Controlled 9 to Distributing 5 that is distributed to creditors of Distributing 5 pursuant to the plan of reorganization.

(b21) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 9 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c21) No part of the consideration to be distributed by Distributing 5 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 5.

(d21) Each of the parties to Distribution 9 will pay its own expenses, if any, incurred in connection with Distribution 9.

(e21) The five years of financial information provided on behalf of the businesses conducted by Controlled 9's separate affiliated group, through F10, F11, F21, and S28, is representative of the present business operations of Controlled 9's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 9 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f21) The five years of financial information provided on behalf of the businesses conducted by Controlled 10's separate affiliated group, through F8, F9, F26, and F27, is representative of the present business operations of Controlled 10's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F8, F9, F26, or F27, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 9 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g21) The five years of financial information provided on behalf of the businesses conducted by Controlled 11's separate affiliated group, through F7, F12, F13, F14, F19, and F20, is representative of the present business operations of Controlled 11's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 9 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h21) Following Distribution 9, each of (i) Controlled 9, through F10, F11, F21, and S28, (ii) Controlled 10, through F8, F9, F26, and F27, and (iii) Controlled 11, through F7, F12, F13, F14, F19, and F20, will continue the active conduct of its business, independently and with its separate employees.

(i21) Distribution 9 is not being used principally as a device for the distribution of the earnings and profits of Distributing 5 or Controlled 9 or both.

(j21) Distribution 9 is being carried out for the following corporate business purpose: fit and focus. Distribution 9 is motivated, in whole or substantial part, by this corporate business purpose.

(k21) No intercorporate debt will exist between Controlled 10 and Controlled 9, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, at the time of, or subsequent to, Distribution 9.

(l21) Payments made in connection with all continuing transactions, if any, between Controlled 10 and Controlled 9, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m21) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n21) For purposes of § 355(d), immediately after Distribution 9, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 9 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 9 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 9 or (ii) attributable to distributions on Distributing 5 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 9.

(o21) Distribution 9 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 9 (including any predecessor or successor of Controlled 9).

(p21) Earnings and profits will be allocated among Controlled 9, Controlled 10, and Controlled 11 in accordance with § 312(h) and § 1.312-10(a).

(q21) Distributing 5 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r21) Neither Distributing 5 nor Controlled 9 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 9, and neither Distributing 5 nor Controlled 9 will be a USRPHC immediately after Distribution 9.

(s21) Neither Distributing 5 nor Controlled 9 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 9.

(t21) None of the Distributing 5 public debt that will be assumed in step (xlviii) or paid off in step (xlix) will have been incurred in connection with the proposed transactions.

Contribution 21 and Distribution 10

The following representations are made with respect to Contribution 21 and Distribution 10 described above in steps (xlviii) - (liii):

(a22) The total adjusted basis and fair market value of the assets transferred to Controlled 10 by Distributing 5 equals or exceeds the sum of (i) the liabilities assumed (within the meaning of § 357(d)) by Controlled 10, (ii) any liabilities to which the assets are subject, and (iii) the amount of money distributed by Controlled 10 to Distributing 5 that is distributed to creditors of Distributing 5 pursuant to the plan of reorganization.

(b22) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 10 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c22) No part of the consideration to be distributed by Distributing 5 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 5.

(d22) Each of the parties to Distribution 10 will pay its own expenses, if any, incurred in connection with Distribution 10.

(e22) The five years of financial information provided on behalf of the businesses conducted by Controlled 9's separate affiliated group, through F10, F11, F21, and S28, is representative of the present business operations of Controlled 9's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 10 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f22) The five years of financial information provided on behalf of the businesses conducted by Controlled 10's separate affiliated group, through F8, F9, F26, and F27, is representative of the present business operations of Controlled 10's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F8, F9, F26, or F27, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 10 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g22) The five years of financial information provided on behalf of the businesses conducted by Controlled 11's separate affiliated group, through F7, F12, F13, F14, F19, and F20, is representative of the present business operations of Controlled 11's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 10 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h22) Following Distribution 10, each of (i) Controlled 9, through F10, F11, F21, and S28, (ii) Controlled 10, through F8, F9, F26, and F27, and (iii) Controlled 11, through F7, F12, F13, F14, F19, and F20, will continue the active conduct of its business, independently and with its separate employees.

(i22) Distribution 10 is not being used principally as a device for the distribution of the earnings and profits of Distributing 5 or Controlled 10 or both.

(j22) Distribution 10 is being carried out for the following corporate business purpose: fit and focus. Distribution 10 is motivated, in whole or substantial part, by this corporate business purpose.

(k22) No intercorporate debt will exist between Controlled 9 and Controlled 10, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, at the time of, or subsequent to, Distribution 10.

(l22) Payments made in connection with all continuing transactions, if any, between Controlled 9 and Controlled 10, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m22) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n22) For purposes of § 355(d), immediately after Distribution 10, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 10 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 10 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 10 or (ii) attributable to distributions on Distributing 5 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 10.

(o22) Distribution 10 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 10 (including any predecessor or successor of Controlled 10).

(p22) Earnings and profits will be allocated among Controlled 9, Controlled 10, and Controlled 11 in accordance with § 312(h) and § 1.312-10(a).

(q22) Distributing 5 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r22) Neither Distributing 5 nor Controlled 10 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 10, and neither Distributing 5 nor Controlled 10 will be a USRPHC immediately after Distribution 10.

(s22) Neither Distributing 5 nor Controlled 10 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 10.

(t22) None of the Distributing 5 public debt that will be assumed in step (xlvi) or paid off in step (xlix) will have been incurred in connection with the proposed transactions.

Contribution 22 and Distribution 11

The following representations are made with respect to Contribution 22 and Distribution 11 described above in steps (xlvi) - (liii):

(a23) The total adjusted basis and fair market value of the assets transferred to Controlled 11 by Distributing 5 equals or exceeds the sum of (i) the liabilities assumed (within the meaning of § 357(d)) by Controlled 11, (ii) any liabilities to which the assets are subject, and (iii) the amount of money distributed by Controlled 11 to Distributing 5 that is distributed to creditors of Distributing 5 pursuant to the plan of reorganization.

(b23) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 11 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c23) No part of the consideration to be distributed by Distributing 5 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 5.

(d23) Each of the parties to Distribution 11 will pay its own expenses, if any, incurred in connection with Distribution 11.

(e23) The five years of financial information provided on behalf of the businesses conducted by Controlled 9's separate affiliated group, through F10, F11, F21, and S28, is representative of the present business operations of Controlled 9's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 11 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f23) The five years of financial information provided on behalf of the businesses conducted by Controlled 10's separate affiliated group, through F8, F9, F26, and F27, is representative of the present business operations of Controlled 10's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F8, F9, F26, or F27, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 11 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g23) The five years of financial information provided on behalf of the businesses conducted by Controlled 11's separate affiliated group, through F7, F12, F13, F14, F19, and F20, is representative of the present business operations of Controlled 11's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 11 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(h23) Following Distribution 11, each of (i) Controlled 9, through F10, F11, F21, and S28, (ii) Controlled 10, through F8, F9, F26, and F27, and (iii) Controlled 11, through F7, F12, F13, F14, F19, and F20, will continue the active conduct of its business, independently and with its separate employees.

(i23) Distribution 11 is not being used principally as a device for the distribution of the earnings and profits of Distributing 5 or Controlled 11 or both.

(j23) Distribution 11 is being carried out for the following corporate business purpose: fit and focus. Distribution 11 is motivated, in whole or substantial part, by this corporate business purpose.

(k23) No intercorporate debt will exist between Controlled 10 and Controlled 9, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, at the time of, or subsequent to, Distribution 11.

(l23) Payments made in connection with all continuing transactions, if any, between Controlled 10 and Controlled 9, Controlled 10 and Controlled 11, or Controlled 9 and Controlled 11, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(m23) None of the parties to the transaction is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

(n23) For purposes of § 355(d), immediately after Distribution 11, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 11 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 11 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 11 or (ii) attributable to distributions on Distributing 5 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 11.

(o23) Distribution 11 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or

indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Controlled 11 (including any predecessor or successor of Controlled 11).

(p23) Earnings and profits will be allocated among Controlled 9, Controlled 10, and Controlled 11 in accordance with § 312(h) and § 1.312-10(a).

(q23) Distributing 5 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r23) Neither Distributing 5 nor Controlled 11 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 11, and neither Distributing 5 nor Controlled 11 will be a USRPHC immediately after Distribution 11.

(s23) Neither Distributing 5 nor Controlled 11 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 11.

(t23) None of the Distributing 5 public debt that will be assumed in step (xlviii) or paid off in step (xlix) will have been incurred in connection with the proposed transactions.

Contribution 23

The following representations are made with respect to Contribution 23 described above in steps (xlviii) - (liii):

(a24) No stock or securities will be issued for services rendered to or for the benefit of N4 in connection with Contribution 23, and no stock or securities will be issued for indebtedness of N4.

(b24) Controlled 10 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 23.

(c24) N4 will report items, if any, that, but for the transfer, would have resulted in income or deduction to Controlled 10 in a period subsequent to the transfer and such items will constitute income or deductions to N4 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of N4.

(d24) None of the stock to be transferred by Controlled 10 to N4 is "§ 306 stock" within the meaning of § 306(c).

(e24) Contribution 23 is not the result of the solicitation by a promoter, broker, or investment house.

(f24) Controlled 10 will not retain any rights in the property transferred to N4 pursuant to Contribution 23.

(g24) The value of the N4 stock received by Controlled 10 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred;

i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h24) The total adjusted basis of the assets to be transferred by Controlled 10 to N4 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by N4 from Controlled 10.

(i24) The total fair market value of the assets transferred to N4 by Controlled 10 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by N4 from Controlled 10 in connection with Contribution 23; (ii) the amount of liabilities owed by N4 to Controlled 10 that are discharged or extinguished in connection with Contribution 23; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by Controlled 10 in connection with Contribution 23. The fair market value of the assets of N4 will exceed the amount of its liabilities immediately after the exchange.

(j24) The liabilities, if any, of Controlled 10 to be assumed (within the meaning of § 357(d)) by N4 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k24) There is no indebtedness between N4 and Controlled 10, and there will be no indebtedness created in favor of Controlled 10 as a result of Contribution 23.

(l24) The transfers and exchanges pursuant to Contribution 23 will occur under a plan agreed upon before Contribution 23 in which the rights of the parties are defined.

(m24) All exchanges pursuant to Contribution 23 will occur on approximately the same date.

(n24) There is no plan or intention on the part of N4 to redeem or otherwise reacquire any stock to be issued in Contribution 23.

(o24) Taking into account any issuance of additional shares of N4 stock; any issuance of stock for services; the exercise of any N4 stock rights, warrants, or subscriptions; a public offering of N4 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of N4 to be received in the exchange, Controlled 10 will be in "control" of N4 within the meaning of § 368(c).

(p24) Controlled 10 will receive stock in N4 approximately equal to the fair market value of the property transferred to N4 in exchange therefor.

(q24) N4 will remain in existence and retain and use the property transferred to it in a trade or business.

(r24) There is no plan or intention by N4 to dispose of the transferred property other than in the normal course of business operations.

(s24) Each of the parties to Contribution 23 will pay its own expenses, if any, incurred in connection with Contribution 23.

(t24) N4 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u24) Controlled 10 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of Controlled 10.

(v24) N4 will not be a "personal service corporation" within the meaning of § 269A.

(w24) The aggregate fair market value of the assets contributed by Controlled 10 to N4 will exceed such assets' aggregate bases immediately after Contribution 23.

Contribution 24

The following representations are made with respect to Contribution 24 described above in steps (xlviii) - (liii):

(a25) No stock or securities will be issued for services rendered to or for the benefit of N5 in connection with Contribution 24, and no stock or securities will be issued for indebtedness of N5.

(b25) Controlled 11 has not accumulated receivables or made extraordinary payment of payables in anticipation of Contribution 24.

(c25) N5 will report items, if any, that, but for the transfer, would have resulted in income or deduction to Controlled 11 in a period subsequent to the transfer and such items will constitute income or deductions to N5 when received or paid by it. The proceeds received in collection of the income items will be included as ordinary income in computing the taxable income of N5.

(d25) None of the stock to be transferred by Controlled 11 to N5 is "§ 306 stock" within the meaning of § 306(c).

(e25) Contribution 24 is not the result of the solicitation by a promoter, broker, or investment house.

(f25) Controlled 11 will not retain any rights in the property transferred to N5 pursuant to Contribution 24.

(g25) The value of the N5 stock received by Controlled 11 in exchange for accounts receivable, if any, will be equal to the net value of the accounts transferred; i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(h25) The total adjusted basis of the assets to be transferred by Controlled 11 to N5 will equal or exceed the total liabilities assumed (within the meaning of § 357(d)) by N5 from Controlled 11.

(i25) The total fair market value of the assets transferred to N5 by Controlled 11 will exceed the sum of (i) the amount of liabilities assumed (as determined under § 357(d)) by N5 from Controlled 11 in connection with Contribution 24; (ii) the amount of

liabilities owed by N5 to Controlled 11 that are discharged or extinguished in connection with Contribution 24; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under § 351(a) without the recognition of gain) received by Controlled 11 in connection with Contribution 24. The fair market value of the assets of N5 will exceed the amount of its liabilities immediately after the exchange.

(j25) The liabilities, if any, of Controlled 11 to be assumed (within the meaning of § 357(d)) by N5 were incurred in the ordinary course of business and are associated with the assets to be transferred.

(k25) There is no indebtedness between N5 and Controlled 11, and there will be no indebtedness created in favor of Controlled 11 as a result of Contribution 24.

(l25) The transfers and exchanges pursuant to Contribution 24 will occur under a plan agreed upon before Contribution 24 in which the rights of the parties are defined.

(m25) All exchanges pursuant to Contribution 24 will occur on approximately the same date.

(n25) There is no plan or intention on the part of N5 to redeem or otherwise reacquire any stock to be issued in Contribution 24.

(o25) Taking into account any issuance of additional shares of N5 stock; any issuance of stock for services; the exercise of any N5 stock rights, warrants, or subscriptions; a public offering of N5 stock; and the sale, exchange, transfer by gift, or other disposition of any of the stock of N5 to be received in the exchange, Controlled 11 will be in "control" of N5 within the meaning of § 368(c).

(p25) Controlled 11 will receive stock in N5 approximately equal to the fair market value of the property transferred to N5 in exchange therefor.

(q25) N5 will remain in existence and retain and use the property transferred to it in a trade or business.

(r25) There is no plan or intention by N5 to dispose of the transferred property other than in the normal course of business operations.

(s25) Each of the parties to Contribution 24 will pay its own expenses, if any, incurred in connection with Contribution 24.

(t25) N5 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c)(1)(ii).

(u25) Controlled 11 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of Controlled 11.

(v25) N5 will not be a "personal service corporation" within the meaning of § 269A.

(w25) The aggregate fair market value of the assets contributed by Controlled 11 to N5 will exceed such assets' aggregate bases immediately after Contribution 24.

Contribution 25 and Distribution 12

The following representations are made with respect to Contribution 25 and Distribution 12 described above in steps (lvi) and (lviii):

(a26) The total adjusted basis and fair market value of the assets transferred to Controlled 10 by Distributing 6 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 10, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 10 to Distributing 6 and then from Distributing 6 to its creditors.

(b26) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 10 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c26) Except with regard to the holders of restricted Distributing 6 stock, no part of the consideration to be distributed by Distributing 6 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 6.

(d26) Each of the parties to Distribution 12 will pay its own expenses, if any, incurred in connection with Distribution 12.

(e26) The five years of financial information provided on behalf of the businesses conducted by Distributing 6's separate affiliated group, through F3, F10, F11, F21, and S28, is representative of the present business operations of Distributing 6's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F3, F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 12 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f26) The five years of financial information provided on behalf of the businesses conducted by Controlled 10's separate affiliated group, through F1, F6, F8, F9, F26, and F27, is representative of the present business operations of Controlled 10's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F1, F6, F8, F9, F26, or F27, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 12 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g26) Following Distribution 12, each of (i) Distributing 6, through F3, F10, F11, F21, and S28, and (ii) Controlled 10, through F1, F6, F8, F9, F26, and F27, will continue the active conduct of its business, independently and with its separate employees.

(h26) Distribution 12 is not being used principally as a device for the distribution of the earnings and profits of Distributing 6 or Controlled 10 or both.

(i26) Distribution 12 is being carried out for the following corporate business purpose: fit and focus. Distribution 12 is motivated, in whole or substantial part, by this corporate business purpose.

(j26) No intercorporate debt will exist between Distributing 6 and Controlled 10 at the time of, or subsequent to, Distribution 12.

(k26) Payments made in connection with all continuing transactions, if any, between Distributing 6 and Controlled 10 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(l26) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(m26) For purposes of § 355(d), immediately after Distribution 12, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 6 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 6 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 12.

(n26) For purposes of § 355(d), immediately after Distribution 12, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 10 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 10 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 12 or (ii) attributable to distributions on Distributing 6 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 12.

(o26) Distribution 12 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 6 or Controlled 10 (including any predecessor or successor of Distributing 6 or Controlled 10).

(p26) Earnings and profits will be allocated between Distributing 6 and Controlled 10 in accordance with § 312(h) and § 1.312-10(a).

(q26) Distributing 6 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r26) Neither Distributing 6 nor Controlled 10 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 12, and neither Distributing 6 nor Controlled 10 will be a USRPHC immediately after Distribution 12.

(s26) Neither Distributing 6 nor Controlled 10 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 12.

Contribution 26 and Distribution 13

The following representations are made with respect to Contribution 26 and Distribution 13 described above in steps (lvii) and (lviii):

(a27) The total adjusted basis and fair market value of the assets transferred to Controlled 11 by Distributing 6 equals or exceeds the sum of the liabilities assumed (within the meaning of § 357(d)) by Controlled 11, plus any liabilities to which the assets are subject. No money or other property will be transferred from Controlled 11 to Distributing 6 and then from Distributing 6 to its creditors.

(b27) The liabilities assumed, or to be treated as assumed (as determined under § 357(d)), if any, by Controlled 11 were incurred in the ordinary course of business and are associated with the assets being transferred.

(c27) Except with regard to the holders of restricted Distributing 6 stock, no part of the consideration to be distributed by Distributing 6 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 6.

(d27) Each of the parties to Distribution 13 will pay its own expenses, if any, incurred in connection with Distribution 13.

(e27) The five years of financial information provided on behalf of the businesses conducted by Distributing 6's separate affiliated group, through F3, F10, F11, F21, and S28, is representative of the present business operations of Distributing 6's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F3, F10, F11, F21, or S28, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 13 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(f27) The five years of financial information provided on behalf of the businesses conducted by Controlled 11's separate affiliated group, through F7, F12,

F13, F14, F19, and F20, is representative of the present business operations of Controlled 11's separate affiliated group, and, with regard to such businesses, there have been no substantial operational changes since the date of the last financial statements provided. None of the businesses conducted by F7, F12, F13, F14, F19, or F20, or control of an entity conducting any such business, was acquired during the five-year period ending on the date of Distribution 13 in a transaction in which gain or loss was recognized in whole or in part, except in connection with transfers between members of the affiliated group (as defined in § 1504(a), determined without regard to § 1504(b)) of which Distributing 6 was the parent.

(g27) Following Distribution 13, each of (i) Distributing 6, through F3, F10, F11, F21, and S28, and (ii) Controlled 11, through F7, F12, F13, F14, F19, and F20, will continue the active conduct of its business, independently and with its separate employees.

(h27) Distribution 13 is not being used principally as a device for the distribution of the earnings and profits of Distributing 6 or Controlled 11 or both.

(i27) Distribution 13 is being carried out for the following corporate business purpose: fit and focus. Distribution 13 is motivated, in whole or substantial part, by this corporate business purpose.

(j27) No intercorporate debt will exist between Distributing 6 and Controlled 11 at the time of, or subsequent to, Distribution 13.

(k27) Payments made in connection with all continuing transactions, if any, between Distributing 6 and Controlled 11, will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(l27) No two parties to the transaction are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(m27) For purposes of § 355(d), immediately after Distribution 13, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Distributing 6 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Distributing 6 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 13.

(n27) For purposes of § 355(d), immediately after Distribution 13, no person (determined after applying the aggregation rules of § 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled 11 stock entitled to vote or 50 percent or more of the total value of shares of all classes of Controlled 11 stock that was either (i) acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of Distribution 13 or (ii) attributable to distributions on Distributing 6 stock that was acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-

year period (determined after applying § 355(d)(6)) ending on the date of Distribution 13.

(o27) Distribution 13 is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in either Distributing 6 or Controlled 11 (including any predecessor or successor of Distributing 6 or Controlled 11).

(p27) Earnings and profits will be allocated between Distributing 6 and Controlled 11 in accordance with § 312(h) and § 1.312-10(a).

(q27) Distributing 6 shall make an irrevocable election to waive application of the transition rule set forth in § 355(b)(3)(C) at such time and in such manner as is prescribed by the Service.

(r27) Neither Distributing 6 nor Controlled 11 has been a USRPHC, as defined in § 897(c)(2), at any time during the five-year period ending on the date of Distribution 13, and neither Distributing 6 nor Controlled 11 will be a USRPHC immediately after Distribution 13.

(s27) Neither Distributing 6 nor Controlled 11 will be a controlled foreign corporation (within the meaning of § 957(a)) or a passive foreign investment company (within the meaning of § 1297(a)) before or after Distribution 13.

General

The following general representation is provided:

(a28) None of the proposed transactions will include the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3 and 1.367(a)-8.

Rulings

Contribution 1

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 1:

1. S4 will not recognize gain or loss on its transfer of assets to S6 pursuant to Contribution 1 solely in exchange for shares of S6 common stock. Section 351(a).

2. S6 will not recognize gain or loss on receipt of assets from S4 in exchange for S6 stock pursuant to Contribution 1. Section 1032(a).

3. S6's basis in the assets received from S4 in Contribution 1 will equal the basis of such assets in the hands of S4 immediately prior to the transfer. Section 362(a).

4. The basis of S4 in the S6 stock received in Contribution 1 will equal the basis of the assets transferred by S4 to S6. Section 358(a).

5. S6's holding period of the assets received from S4 in Contribution 1 will include the period during which S4 held the assets. Section 1223(2).

6. The holding period of S4 in the S6 stock received in Contribution 1 will include the period during which S4 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 2

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 2:

7. S6 will not recognize gain or loss on its transfer of assets to New S6 pursuant to Contribution 2 solely in exchange for shares of New S6 common stock. Section 351(a).

8. New S6 will not recognize gain or loss on receipt of assets from S6 in exchange for New S6 stock pursuant to Contribution 2. Section 1032(a).

9. New S6's basis in the assets received from S6 in Contribution 2 will equal the basis of such assets in the hands of S6 immediately prior to the transfer. Section 362(a).

10. The basis of S6 in the New S6 stock received in Contribution 2 will equal the basis of the assets transferred by S6 to New S6. Section 358(a).

11. New S6's holding period of the assets received from S6 in Contribution 2 will include the period during which S6 held the assets. Section 1223(2).

12. The holding period of S6 in the New S6 stock received in Contribution 2 will include the period during which S6 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 3

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 3:

13. S6 will not recognize gain or loss on its transfer of assets to S10 pursuant to Contribution 3 solely in exchange for shares of S10 common stock. Section 351(a).

14. S10 will not recognize gain or loss on receipt of assets from S6 in exchange for S10 stock pursuant to Contribution 3. Section 1032(a).

15. S10's basis in the assets received from S6 in Contribution 3 will equal the basis of such assets in the hands of S6 immediately prior to the transfer. Section 362(a).

16. The basis of S6 in the S10 stock received in Contribution 3 will equal the basis of the assets transferred by S6 to S10. Section 358(a).

17. S10's holding period of the assets received from S6 in Contribution 3 will include the period during which S6 held the assets. Section 1223(2).

18. The holding period of S6 in the S10 stock received in Contribution 3 will include the period during which S6 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 4

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 4:

19. S6 will not recognize gain or loss on its transfer of assets to S14 pursuant to Contribution 4 solely in exchange for shares of S14 common stock. Section 351(a).

20. S14 will not recognize gain or loss on receipt of assets from S6 in exchange for S14 stock pursuant to Contribution 4. Section 1032(a).

21. S14's basis in the assets received from S6 in Contribution 4 will equal the basis of such assets in the hands of S6 immediately prior to the transfer. Section 362(a).

22. The basis of S6 in the S14 stock received in Contribution 4 will equal the basis of the assets transferred by S6 to S14. Section 358(a).

23. S14's holding period of the assets received from S6 in Contribution 4 will include the period during which S6 held the assets. Section 1223(2).

24. The holding period of S6 in the S14 stock received in Contribution 4 will include the period during which S6 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 5

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 5:

25. S14 and S17 will not recognize gain or loss on their transfers of assets to S21 pursuant to Contribution 5 solely in exchange for shares of S21 common stock and the assumption of liabilities by S21. Sections 351(a) and 357(a).

26. S21 will not recognize gain or loss on receipt of assets from S14 or S17 in exchange for S21 stock pursuant to Contribution 5. Section 1032(a).

27. S21's basis in the assets received from S14 and S17 in Contribution 5 will equal the basis of such assets in the hands of S14 and S17, respectively, immediately prior to the transfer. Section 362(a).

28. The basis of S14 and S17 in the S21 stock received in Contribution 5 will equal the basis of the assets transferred by S14 and S17, respectively, to S21. Section 358(a).

29. S21's holding period of the assets received from S14 and S17 in Contribution 5 will include the period during which S14 and S17, respectively, held the assets. Section 1223(2).

30. The holding period of S14 and S17 in the S21 stock received in Contribution 5 will include the period during which S14 and S17, respectively, held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 6

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 6:

31. S14 will not recognize gain or loss on its transfer of assets to S5 pursuant to Contribution 6 solely in exchange for shares of S5 common stock and the assumption of liabilities by S5. Sections 351(a) and 357(a).

32. S5 will not recognize gain or loss on receipt of assets from S14 in exchange for S5 stock pursuant to Contribution 6. Section 1032(a).

33. S5's basis in the assets received from S14 in Contribution 6 will equal the basis of such assets in the hands of S14 immediately prior to the transfer. Section 362(a).

34. The basis of S14 in the S5 stock received in Contribution 6 will equal the basis of the assets transferred by S14 to S5. Section 358(a).

35. S5's holding period of the assets received from S14 in Contribution 6 will include the period during which S14 held the assets. Section 1223(2).

36. The holding period of S14 in the S5 stock received in Contribution 6 will include the period during which S14 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 7

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 7:

37. None of S10, S14, or S17 will recognize gain or loss on its transfer of assets to Controlled 2 pursuant to Contribution 7 solely in exchange for shares of Controlled 2 common stock. Section 351(a).

38. Controlled 2 will not recognize gain or loss on receipt of assets from S10, S14, or S17 in exchange for Controlled 2 stock pursuant to Contribution 7. Section 1032(a).

39. Controlled 2's basis in the assets received from S10, S14, and S17 in Contribution 7 will equal the basis of such assets in the hands of S10, S14, and S17, respectively, immediately prior to the transfer. Section 362(a).

40. The basis of S10, S14, and S17 in the Controlled 2 stock received in Contribution 7 will equal the basis of the assets transferred by S10, S14, and S17, respectively, to Controlled 2. Section 358(a).

41. Controlled 2's holding period of the assets received from S10, S14, and S17, respectively, in Contribution 7 will include the period during which S10, S14, and S17 held the assets. Section 1223(2).

42. The holding period of S10, S14, and S17, respectively, in the Controlled 2 stock received in Contribution 7 will include the period during which S10, S14, and S17, respectively, held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 8

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 8:

43. S10, S14, S17, S24, and S25 will not recognize gain or loss on their transfers of assets to Distributing 2 pursuant to Contribution 8 solely in exchange for shares of Distributing 2 common stock. Section 351(a).

44. Distributing 2 will not recognize gain or loss on receipt of assets from S10, S14, S24, S17, or S25 in exchange for Distributing 2 stock pursuant to Contribution 8. Section 1032(a).

45. Distributing 2's basis in the assets received from S10, S14, S17, S24, and S25 in Contribution 8 will equal the basis of such assets in the hands of S10, S14, S17, S24, and S25, respectively, immediately prior to the transfer. Section 362(a).

46. The basis of S10, S14, S17, S24, and S25 in the Distributing 2 stock received in Contribution 8 will equal the basis of the assets transferred by S10, S14, S17, S24, and S25, respectively, to Distributing 2. Section 358(a).

47. Distributing 2's holding period of the assets received from S10, S14, S17, S24, and S25 in Contribution 8 will include the period during which S10, S14, S17, S24, and S25, respectively, held the assets. Section 1223(2).

48. The holding period of S10, S14, S17, S24, and S25 in the Distributing 2 stock received in Contribution 8 will include the period during which S10, S14, S17, S24, and S25, respectively, held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

49. Overall foreign losses shall be apportioned in accordance with the rules of § 1.1502-9, as appropriate.

Liquidation 1

50. No gain or loss will be recognized by Distributing 1 on the receipt of all of the assets and assumption of liabilities of S1 in Liquidation 1. Section 332(a).

51. No gain or loss will be recognized by S1 on the distribution of its assets and liabilities to Distributing 1 in Liquidation 1. Section 337(a); § 1.332-7.

52. The basis of the assets of S1 received by Distributing 1 in Liquidation 1 will equal the basis of those assets in the hands of S1 immediately prior to Liquidation 1. Section 334(b)(1).

53. The holding period of the assets of S1 received by Distributing 1 in Liquidation 1 will include the period during which such assets were held by S1. Section 1223(2).

54. Distributing 1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of S1 as of the date of Liquidation 1. Section 381(c)(2) and § 1.381(c)(2)-1. Any deficit in earnings and profits of S1 or Distributing 1 will be used only to offset earnings and profits accumulated after the date of Liquidation 1.

55. The earnings and profits of S1 that Distributing 1 succeeds to under § 381 as a result of Liquidation 1 under § 332 will be eliminated under § 1.1502-33(a)(2) to prevent duplication to the extent such earnings and profits are already reflected in the earnings and profits of Distributing 1 under § 1.1502-33(b).

56. Distributing 1 will succeed to and take into account the items of S1 described in § 381(c), subject to the conditions and limitations specified in § 381(b) and (c) and the regulations thereunder. Section 381(a) and § 1.381(a)-1.

Contribution 9 and Distribution 1

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 9 and Distribution 1:

57. Contribution 9, followed by Distribution 1, will be a reorganization under § 368(a)(1)(D). Distributing 1 and Controlled 1 each will be "a party to a reorganization" under § 368(b).

58. No gain or loss will be recognized by Distributing 1 on Contribution 9. Sections 357(a) and 361(a).

59. No gain or loss will be recognized by Controlled 1 on Contribution 9. Section 1032(a).

60. The basis of each asset received by Controlled 1 in Contribution 9 will equal the basis of that asset in the hands of Distributing 1 immediately before Contribution 9. Section 362(b).

61. The holding period of each asset received by Controlled 1 in Contribution 9 will include the period during which Distributing 1 held the asset. Section 1223(2).

62. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 4 as a result of Distribution 1. Section 355(a)(1).

63. No gain or loss will be recognized by Distributing 1 as a result of Distribution 1. Section 361(c)(1).

64. The aggregate basis of the Distributing 1 shares and the Controlled 1 shares in the hands of Distributing 4 after Distribution 1 will be the same as the basis of the Distributing 1 shares in the hands of Distributing 4 immediately before Distribution 1. Section 358(a) and § 1.358-1(a). Such basis will be allocated between the Distributing 1 shares and the Controlled 1 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

65. The holding period of the Controlled 1 shares received by Distributing 4 in Distribution 1 will include the holding period of the Distributing 1 shares with respect to which Distribution 1 will be made, provided that such Distributing 1 shares are held as capital assets on the date of Distribution 1. Section 1223(1).

66. As provided in § 312(h), proper allocation of earnings and profits between Distributing 1 and Controlled 1 will be made under § 1.312-10(a) and § 1.1502-33(e)(3).

67. Controlled 1 will not be a "successor" to Distributing 1 for purposes of § 1504(a)(3).

Contribution 10 and Distribution 2

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 10 and Distribution 2:

68. Contribution 10, followed by Distribution 2, will be a reorganization under § 368(a)(1)(D). Distributing 2 and Controlled 2 each will be "a party to a reorganization" under § 368(b).

69. No gain or loss will be recognized by Distributing 2 on Contribution 10. Sections 357(a) and 361(a).

70. No gain or loss will be recognized by Controlled 2 on Contribution 10. Section 1032(a).

71. The basis of each asset received by Controlled 2 in Contribution 10 will equal the basis of that asset in the hands of Distributing 2 immediately before Contribution 10. Section 362(b).

72. The holding period of each asset received by Controlled 2 in Contribution 10 will include the period during which Distributing 2 held the asset. Section 1223(2).

73. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 3 as a result of Distribution 2. Section 355(a)(1).

74. No gain or loss will be recognized by Distributing 2 as a result of Distribution 2. Section 361(c)(1).

75. The aggregate basis of the Distributing 2 shares and the Controlled 2 shares in the hands of Distributing 3 after Distribution 2 will be the same as the basis of the Distributing 2 shares in the hands of Distributing 3 immediately before Distribution 2. Section 358(a) and § 1.358-1(a). Such basis will be allocated between the Distributing 2 shares and the Controlled 2 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

76. The holding period of the Controlled 2 shares received by Distributing 3 in Distribution 2 will include the holding period of the Distributing 2 shares with respect to which Distribution 2 will be made, provided that such Distributing 2 shares are held as capital assets on the date of Distribution 2. Section 1223(1).

77. As provided in § 312(h), proper allocation of earnings and profits between Distributing 2 and Controlled 2 will be made under § 1.312-10(a) and § 1.1502-33(e)(3).

78. Controlled 2 will not be a "successor" to Distributing 2 for purposes of § 1504(a)(3).

79. Overall foreign losses shall be apportioned in accordance with the rules of § 1.1502-9, as appropriate.

Contribution 11 and Distribution 3

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 11 and Distribution 3:

80. Contribution 11, followed by Distribution 3, will be a reorganization under § 368(a)(1)(D). Distributing 2 and Controlled 3 each will be "a party to a reorganization" under § 368(b).

81. No gain or loss will be recognized by Distributing 2 on Contribution 11. Sections 357(a) and 361(a).

82. No gain or loss will be recognized by Controlled 3 on Contribution 11. Section 1032(a).

83. The basis of each asset received by Controlled 3 in Contribution 11 will equal the basis of that asset in the hands of Distributing 2 immediately before Contribution 11. Section 362(b).

84. The holding period of each asset received by Controlled 3 in Contribution 11 will include the period during which Distributing 2 held the asset. Section 1223(2).

85. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 3 as a result of Distribution 3. Section 355(a)(1).

86. No gain or loss will be recognized by Distributing 2 as a result of Distribution 3. Section 361(c)(1).

87. The aggregate basis of the Distributing 2 shares and the Controlled 3 shares in the hands of Distributing 3 after Distribution 3 will be the same as the basis of the Distributing 2 shares in the hands of Distributing 3 immediately before Distribution 3. Section 358(a) and § 1.358-1(a). Such basis will be allocated between the Distributing 2 shares and the Controlled 3 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

88. The holding period of the Controlled 3 shares received by Distributing 3 in Distribution 3 will include the holding period of the Distributing 2 shares with respect to which Distribution 3 will be made, provided that such Distributing 2 shares are held as capital assets on the date of Distribution 3. Section 1223(1).

89. As provided in § 312(h), proper allocation of earnings and profits between Distributing 2 and Controlled 3 will be made under § 1.312-10(a) and § 1.1502-33(e)(3).

90. Controlled 3 will not be a "successor" to Distributing 2 for purposes of § 1504(a)(3).

91. Overall foreign losses shall be apportioned in accordance with the rules of § 1.1502-9, as appropriate.

Contributions 12, 13, and 14 and Distributions 4, 5, and 6

Based solely on the information submitted and the representations set forth above, we rule as follows on Contributions 12, 13, and 14 and Distributions 4, 5, and 6:

92. For U.S. federal income tax purposes, steps (xxxviii) - (xlv) will be treated as if (i) Distributing 3 formed Controlled 4 and transferred thereto all of its assets related to Business P in exchange for all of the shares of Controlled 4 and the assumption by Controlled 4 of all of the liabilities of Distributing 3 related to Business P ("Contribution 12"); (ii) Distributing 3 formed Controlled 5 and transferred thereto all of its assets related to Business Y and Business R in exchange for all of the shares of Controlled 5 and the assumption by Controlled 5 of all of the liabilities of Distributing 3 related to Business Y and Business R ("Contribution 13"); (iii) Distributing 3 formed Controlled 6 and transferred thereto all of its assets related to Business B in exchange for all of the shares of Controlled 6 and the assumption by Controlled 6 of all of the liabilities of Distributing 3 related to Business B ("Contribution 14"); (iv) Controlled 4 transferred all of the assets related to Business P to N1 in exchange for all of the shares of N1 and the assumption of liabilities by N1 ("Contribution 15"); (v) Controlled 5 transferred all of the assets related to Business Y and Business R to N2 in exchange for all of the shares of N2 and the assumption of liabilities by N2 ("Contribution 16"); (vi) Controlled 6 transferred all of the assets related to Business B to N3 in exchange for all of the shares of N3 and the assumption of liabilities by N3 ("Contribution 17"); and (vii) Distributing 3 distributed all of the shares of Controlled 4, Controlled 5, and Controlled 6 to Distributing 4 in liquidation of Distributing 3 ("Distributions 4, 5, and 6," respectively). Rev. Rul. 77-191, 1977-1 C.B. 94.

93. Contributions 12, 13, and 14, followed by Distributions 4, 5, and 6 will be reorganizations under § 368(a)(1)(D). Distributing 3, Controlled 4, Controlled 5, and Controlled 6 each will be "a party to a reorganization" under § 368(b). Contributions 15, 16, and 17 will not prevent Contributions 12, 13, and 14, followed by Distributions 4, 5, and 6 from qualifying as a reorganization under § 368(a)(1)(D). Rev. Rul. 2002-85, 2002-2 C.B. 986.

94. No gain or loss will be recognized by Distributing 3 on Contributions 12, 13, and 14. Sections 357(a) and 361(a).

95. No gain or loss will be recognized by Controlled 4, Controlled 5, or Controlled 6 on Contributions 12, 13, and 14. Section 1032(a).

96. The basis of each asset received by Controlled 4, Controlled 5, and Controlled 6 in Contributions 12, 13, and 14, respectively, will equal the basis of that asset in the hands of Distributing 3 immediately before Contributions 12, 13, and 14. Section 362(b).

97. The holding period of each asset received by Controlled 4, Controlled 5, and Controlled 6 in Contributions 12, 13, and 14, respectively, will include the period during which Distributing 3 held the asset. Section 1223(2).

98. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 4 as a result of Distributions 4, 5, and 6. Section 355(a)(1).

99. No gain or loss will be recognized by Distributing 3 as a result of Distributions 4, 5, and 6. Section 361(c).

100. The aggregate basis of the Controlled 4, Controlled 5, and Controlled 6 shares in the hands of Distributing 4 after Distributions 4, 5, and 6, respectively, will be the same as the basis of the Distributing 3 shares in the hands of Distributing 4 immediately before Distributions 4, 5, and 6. Section 358(a) and § 1.358-1(a). Such basis will be allocated among the Controlled 4, Controlled 5, and Controlled 6 shares in proportion to their market values in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

101. The holding period of the Controlled 4, Controlled 5, and Controlled 6 shares received by Distributing 4 in Distributions 4, 5, and 6, respectively, will include the holding period of the Distributing 3 shares with respect to which Distributions 4, 5, and 6 will be made, provided that such Distributing 3 shares are held as capital assets on the date of Distributions 4, 5, and 6. Section 1223(1).

102. As provided in § 312(h), proper allocation of earnings and profits among Controlled 4, Controlled 5, and Controlled 6 will be made under § 1.312-10(a).

Contribution 15

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 15:

103. Controlled 4 will not recognize gain or loss on its transfer of assets to N1 pursuant to Contribution 15 solely in exchange for shares of N1 common stock and the assumption of liabilities by N1. Sections 351(a) and 357(a).

104. N1 will not recognize gain or loss on receipt of assets from Controlled 4 in exchange for N1 stock pursuant to Contribution 15. Section 1032(a).

105. N1's basis in the assets received from Controlled 4 in Contribution 15 will equal the basis of such assets in the hands of Controlled 4 immediately prior to the transfer. Section 362(a).

106. The basis of Controlled 4 in the N1 stock received in Contribution 15 will equal the basis of the assets transferred by Controlled 4 to N1. Section 358(a).

107. N1's holding period of the assets received from Controlled 4 in Contribution 15 will include the period during which Controlled 4 held the assets. Section 1223(2).

108. The holding period of Controlled 4 in the N1 stock received in Contribution 15 will include the period during which Controlled 4 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 16

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 16:

109. Controlled 5 will not recognize gain or loss on its transfer of assets to N2 pursuant to Contribution 16 solely in exchange for shares of N2 common stock and the assumption of liabilities by N2. Sections 351(a) and 357(a).

110. N2 will not recognize gain or loss on receipt of assets from Controlled 5 in exchange for N2 stock pursuant to Contribution 16. Section 1032(a).

111. N2's basis in the assets received from Controlled 5 in Contribution 16 will equal the basis of such assets in the hands of Controlled 5 immediately prior to the transfer. Section 362(a).

112. The basis of Controlled 5 in the N2 stock received in Contribution 16 will equal the basis of the assets transferred by Controlled 5 to N2. Section 358(a).

113. N2's holding period of the assets received from Controlled 5 in Contribution 16 will include the period during which Controlled 5 held the assets. Section 1223(2).

114. The holding period of Controlled 5 in the N2 stock received in Contribution 16 will include the period during which Controlled 5 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 17

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 17:

115. Controlled 6 will not recognize gain or loss on its transfer of assets to N3 pursuant to Contribution 17 solely in exchange for shares of N3 common stock and the assumption of liabilities by N3. Sections 351(a) and 357(a).

116. N3 will not recognize gain or loss on receipt of assets from Controlled 6 in exchange for N3 stock pursuant to Contribution 17. Section 1032(a).

117. N3's basis in the assets received from Controlled 6 in Contribution 17 will equal the basis of such assets in the hands of Controlled 6 immediately prior to the transfer. Section 362(a).

118. The basis of Controlled 6 in the N3 stock received in Contribution 17 will equal the basis of the assets transferred by Controlled 6 to N3. Section 358(a).

119. N3's holding period of the assets received from Controlled 6 in Contribution 17 will include the period during which Controlled 6 held the assets. Section 1223(2).

120. The holding period of Controlled 6 in the N3 stock received in Contribution 17 will include the period during which Controlled 6 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contributions 18 and 19 and Distributions 7 and 8

Based solely on the information submitted and the representations set forth above, we rule as follows on Contributions 18 and 19 and Distributions 7 and 8:

121. Contributions 18 and 19, followed by Distributions 7 and 8, will be reorganizations under § 368(a)(1)(D). Distributing 4, Controlled 7, and Controlled 8 each will be "a party to a reorganization" under § 368(b).

122. No gain or loss will be recognized by Distributing 4 on Contributions 18 and 19. Sections 357(a) and 361(a).

123. No gain or loss will be recognized by Controlled 7 or Controlled 8 on Contributions 18 and 19. Section 1032(a).

124. The basis of each asset received by Controlled 7 and Controlled 8 in Contributions 18 and 19 will equal the basis of that asset in the hands of Distributing 4 immediately before Contributions 18 and 19. Section 362(b).

125. The holding period of each asset received by Controlled 7 and Controlled 8 in Contributions 18 and 19 will include the period during which Distributing 4 held the asset. Section 1223(2).

126. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 5 as a result of Distributions 7 and 8. Section 355(a)(1).

127. No gain or loss will be recognized by Distributing 4 as a result of Distributions 7 and 8. Section 361(c).

128. The aggregate basis of the Distributing 4, Controlled 7, and Controlled 8 shares in the hands of Distributing 5 after Distributions 7 and 8 will be the same as the basis of the Distributing 4 shares in the hands of Distributing 5 immediately before Distributions 7 and 8. Section 358(a) and § 1.358-1(a). Such basis will be allocated among the Distributing 4, Controlled 7, and Controlled 8 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

129. The holding period of the Controlled 7 and Controlled 8 shares received by Distributing 5 in Distributions 7 and 8 will include the holding period of the Distributing 4 shares with respect to which Distributions 7 and 8 will be made, provided that such Distributing 4 shares are held as capital assets on the date of Distributions 7 and 8. Section 1223(1).

130. As provided in § 312(h), proper allocation of earnings and profits among Distributing 4, Controlled 7, and Controlled 8 will be made under § 1.312-10(a).

Contributions 20, 21, and 22 and Distributions 9, 10, and 11

Based solely on the information submitted and the representations set forth above, we rule as follows on Contributions 20, 21, and 22 and Distributions 9, 10, and 11:

131. For U.S. federal income tax purposes, steps (xlviii) - (liii) will be treated as if (i) Distributing 5 formed Controlled 9 and transferred thereto all of its assets related to Business Y and Business R in exchange for all of the shares of Controlled 9 and the assumption by Controlled 9 of all of the liabilities of Distributing 5 related to Business Y and Business R ("Contribution 20"); (ii) Distributing 5 transferred to Controlled 10 all of its assets related to Business P in exchange for all of the shares of Controlled 10 and the assumption by Controlled 10 of all of the liabilities of Distributing 5 related to Business P ("Contribution 21"); (iii) Distributing 5 transferred to Controlled 11 all of its assets related to Business B in exchange for all of the shares of Controlled 11 and the assumption by Controlled 11 of all of the liabilities of Distributing 5 related to Business B ("Contribution 22"); (iv) Controlled 10 transferred all of the assets related to Business P

to N4 in exchange for all of the shares of N4 and the assumption of liabilities by N4 ("Contribution 23"); (v) Controlled 11 transferred all of the assets related to Business B to N5 in exchange for all of the shares of N5 and the assumption of liabilities by N5 ("Contribution 24"); (vi) Distributing 5 distributed all of the shares of Controlled 9, Controlled 10, and Controlled 11 to Distributing 6 in liquidation of Distributing 5 ("Distributions 9, 10, and 11," respectively). Rev. Rul. 77-191, 1977-1 C.B. 94.

132. Contributions 20, 21, and 22, followed by Distributions 9, 10, and 11, will be reorganizations under § 368(a)(1)(D). Distributing 5, Controlled 9, Controlled 10, and Controlled 11 each will be "a party to a reorganization" under § 368(b). Contributions 23 and 24 will not prevent Contributions 21 and 22, followed by Distributions 10 and 11 from qualifying as a reorganization under § 368(a)(1)(D). Rev. Rul. 2002-85, 2002-2 C.B. 986.

133. No gain or loss will be recognized by Distributing 5 on Contributions 20, 21, and 22. Sections 357(a) and 361(a). See Rev. Rul. 79-258, 1979-2 C.B. 143.

134. No gain or loss will be recognized by Controlled 9, Controlled 10, or Controlled 11 on Contributions 20, 21, and 22. Section 1032(a).

135. The basis of each asset received by Controlled 9, Controlled 10, and Controlled 11 in Contributions 20, 21, and 22 will equal the basis of that asset in the hands of Distributing 5 immediately before Contributions 20, 21, and 22. Section 362(b).

136. The holding period of each asset received by Controlled 9, Controlled 10, and Controlled 11 in Contributions 20, 21, and 22 will include the period during which Distributing 5 held the asset. Section 1223(2).

137. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) Distributing 6 as a result of Distributions 9, 10, and 11. Section 355(a)(1).

138. No gain or loss will be recognized by Distributing 5 as a result of Distributions 9, 10, and 11. Section 361(c).

139. The aggregate basis of the Controlled 9, Controlled 10, and Controlled 11 shares in the hands of Distributing 6 after Distributions 9, 10, and 11 will be the same as the basis of the Distributing 5 shares in the hands of Distributing 6 immediately before Distributions 9, 10, and 11. Section 358(a) and § 1.358-1(a). Such basis will be allocated among the Controlled 9, Controlled 10, and Controlled 11 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

140. The holding period of the Controlled 9, Controlled 10, and Controlled 11 shares received by Distributing 6 in Distributions 9, 10, and 11 will include the holding period of the Distributing 5 shares with respect to which Distributions 9, 10, and 11 will be made, provided that such Distributing 5 shares are held as capital assets on the date of Distributions 9, 10, and 11. Section 1223(1).

141. As provided in § 312(h), proper allocation of earnings and profits among Controlled 9, Controlled 10, and Controlled 11 will be made under § 1.312-10(a).

Contribution 23

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 23:

142. Controlled 10 will not recognize gain or loss on its transfer of assets to N4 pursuant to Contribution 23 solely in exchange for shares of N4 common stock and the assumption of liabilities by N4. Sections 351(a) and 357(a).

143. N4 will not recognize gain or loss on receipt of assets from Controlled 10 in exchange for N4 stock pursuant to Contribution 23. Section 1032(a).

144. N4's basis in the assets received from Controlled 10 in Contribution 23 will equal the basis of such assets in the hands of Controlled 10 immediately prior to the transfer. Section 362(a).

145. The basis of Controlled 10 in the N4 stock received in Contribution 23 will equal the basis of the assets transferred by Controlled 10 to N4. Section 358(a).

146. N4's holding period of the assets received from Controlled 10 in Contribution 23 will include the period during which Controlled 10 held the assets. Section 1223(2).

147. The holding period of Controlled 10 in the N4 stock received in Contribution 23 will include the period during which Controlled 10 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contribution 24

Based solely on the information submitted and the representations set forth above, we rule as follows on Contribution 24:

148. Controlled 11 will not recognize gain or loss on its transfer of assets to N5 pursuant to Contribution 24 solely in exchange for shares of N5 common stock and the assumption of liabilities by N5. Sections 351(a) and 357(a).

149. N5 will not recognize gain or loss on receipt of assets from Controlled 11 in exchange for N5 stock pursuant to Contribution 24. Section 1032(a).

150. N5's basis in the assets received from Controlled 11 in Contribution 24 will equal the basis of such assets in the hands of Controlled 11 immediately prior to the transfer. Section 362(a).

151. The basis of Controlled 11 in the N5 stock received in Contribution 24 will equal the basis of the assets transferred by Controlled 11 to N5. Section 358(a).

152. N5's holding period of the assets received from Controlled 11 in Contribution 24 will include the period during which Controlled 11 held the assets. Section 1223(2).

153. The holding period of Controlled 11 in the N5 stock received in Contribution 24 will include the period during which Controlled 11 held the assets exchanged therefor, provided the assets were capital assets or property described in § 1231. Section 1223(1).

Contributions 25 and 26 and Distributions 12 and 13

Based solely on the information submitted and the representations set forth above, we rule as follows on Contributions 25 and 26 and Distributions 12 and 13:

154. Contributions 25 and 26, followed by Distributions 12 and 13, will be reorganizations under § 368(a)(1)(D). Distributing 6 and Controlled 10 and Controlled 11 each will be "a party to a reorganization" under § 368(b).

155. No gain or loss will be recognized by Distributing 6 on Contributions 25 and 26. Sections 357(a) and 361(a).

156. No gain or loss will be recognized by Controlled 10 or Controlled 11 on Contributions 25 and 26. Section 1032(a).

157. The basis of each asset received by Controlled 10 and Controlled 11 in Contributions 25 and 26 will equal the basis of that asset in the hands of Distributing 6 immediately before Contributions 25 and 26. Section 362(b).

158. The holding period of each asset received by Controlled 10 and Controlled 11 in Contributions 25 and 26 will include the period during which Distributing 6 held the asset. Section 1223(2).

159. No gain or loss will be recognized by (and no amount will otherwise be included in the income of) the shareholders of Distributing 6 as a result of Distributions 12 and 13. Section 355(a)(1).

160. No gain or loss will be recognized by Distributing 6 as a result of Distributions 12 and 13. Section 361(c).

161. The aggregate basis of the Distributing 6 shares, the Controlled 10 shares, and the Controlled 11 shares in the hands of the shareholders of Distributing 6 after Distributions 12 and 13 will be the same as the basis of the Distributing 6 shares in the hands of the shareholders of Distributing 6 immediately before Distributions 12 and 13. Section 358(a) and § 1.358-1(a). Such basis will be allocated among the Distributing 6 shares, the Controlled 10 shares, and the Controlled 11 shares in proportion to the fair market value of each in accordance with § 1.358-2(a)(2). Sections 358(b)(2) and 358(c).

162. The holding period of the Controlled 10 shares and the Controlled 11 shares received by the shareholders of Distributing 6 in Distributions 12 and 13 will include the holding period of the Distributing 6 shares with respect to which Distributions 12 and 13 will be made, provided that such Distributing 6 shares are held as capital assets on the date of Distributions 12 and 13. Section 1223(1).

163. As provided in § 312(h), proper allocation of earnings and profits among Distributing 6, Controlled 10, and Controlled 11 will be made under § 1.312-10(a).

In General

164. Payments made between any two of the Distributing 6, Controlled 10, and Controlled 11 groups under the Distribution Agreements that (i) have arisen or will arise for a taxable period ending on or before Distributions 12 and 13, or for a taxable period beginning before and ending after Distributions 12 and 13; and (ii) have not become fixed and ascertainable until after Distributions 12 and 13, will be treated as occurring immediately before Distributions 12 and 13 (*cf.* Arrowsmith v. Comm'r, 344 U.S. 6 (1952) (tax characterization of later transaction will derive from earlier, related transaction); Rev. Rul. 83-73, 1983-1 C.B. 84).

Caveats

No opinion was requested, and therefore no opinion was expressed, as to the U.S. federal income tax treatment of steps (i) - (iv), (vi), (xiv) - (xxvi), (xxix), (xxxi), (xxxii), (xxxvi), (liv), (lv), (lix), and (lx); or as to whether any of the proposed transactions will result in the recapture of any "dual consolidated loss" within the meaning of § 1.1503-2(c)(5). In addition, no opinion is expressed about the tax treatment of the Proposed Transactions under other provisions of the Code or regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above rulings. In particular, no opinion is expressed regarding: (i) whether the Distributions satisfy the business purpose requirement of § 1.355-2(b); (ii) whether the Proposed Transactions are used principally as a device for the distribution of the earnings and profits of any distributing corporation or controlled corporation or both (see § 355(a)(1)(B) and

§ 1.355-2(d)); and (iii) whether any distribution and any acquisition or acquisitions are part of a plan (or series of related transactions) under § 355(e).

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this ruling letter should be attached to the U.S. federal income tax return of each taxpayer involved for the taxable year in which the transaction covered by this ruling letter is consummated. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Richard K. Passales
Senior Counsel
Office of Associate Chief Counsel
(Corporate)
Branch 4